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ASSEMBLY COMMITTEE ON EDUCATION

SUBCOMMITTEE ON ISSUANCE OF DEGREES

CALIFORNIA STATE LEGISLATURE

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Los Angeles, California

Thursday, January 30, 1958

10:00 A. M.

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Hearing of the Interim

ASSEMBLY COMMITTEE on EDUCATION

SUBCOMMITTEE on ISSUANCE of DEGREES

CALIFORNIA STATE LEGISLATURE

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Los Angeles, ~~California~~

~~Thursday,~~ January 30, 1958

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COMMITTEE MEMBERS PRESENT:

SHERIDAN N. HEGLAND, Chairman
DONALD D. DOYLE
LOU A. CUSANOVICH

OTHERS:

RICHARD HANNA, Assemblyman
JAMES C. MARSHALL, Consultant
STANLEY M. LOURIMORE, Legislative Counsel
BLANCHE V. HANSEN, Secretary
F. L. MIDDLETON, Reporter

WITNESSES:	Page	Line
LOEBL, JAMES D.	666 757	15 2
MRS. ELIZABETH MILLER	683	3
JAMES HUBERT MULVEY	689	17
JAMES E. LUDLAM	694 759	17 8
ED CLANCY	724	24
MARYELLEN WOOD	734 759	22 16
JEANETTE M. BROOM	736	2
JOHN R. HUMPHRIES	737	7
LEE H. NORCROSS	751	4
LAWRENCE D. KEARNEY	751	24
ARCHIE D. ROSS	764	18
DR. de los REYES	768	26

LOS ANGELES, CALIFORNIA, THURSDAY, JANUARY 30, 1958, 10 A.M.

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CHAIRMAN HEGLAND: This is a hearing of the Assembly Committee on Education, Subcommittee on issuance of degrees. The subcommittee was appointed by the chairman of the Assembly Committee, Assemblyman Donald Doyle of LaFayette, who sits immediately to my right.

To my far left is Lou Cusanovich of Los Angeles. Next is our Committee secretary, Blanche Hansen.

At the other table are Consultant Jim Marshall, who was with us before.

We also have a representative from the Legislative counsel, Stanley Lourimore.

The group here who wish to testify are invited to fill out these registration forms. Mr. Marshall has available extra copies of the agenda and extra copies of the legislation which will be discussed.

This group, you will recall, met three days earlier last fall and found that, among other things, Southern California apparently is the diploma capital of the world and apparently there is no degree, including Ph.D., M. Ds., D. Ds., or other academic degrees which cannot be purchased in Southern California.

Some of the organizations, after the hearing, folded up their tents and left. Some of the organizations continued in business as usual and the Committee has reason to believe

from pretty affirmative evidence that it is still possible in this area to secure a degree with no activity except the passing of money. There is legialation which has been proposed on pages 10 and 11 of the report which the Committee has published and which is available from Mr. Marshall. There is also additional legislation which we will consider.

We have a visitor here, Assemblyman Dick Hanna from Orange County. Welcome to our Committee. Mr. Hanna is a member of the parent committee of the Education Committee.

Our first witness will be Jim Loebl, Deputy Attorney General, who has been interested in the problem from a law-enforcement point of view for a good many years, as has his office.

MR. JAMES D. LOEBL (Deputy Attorney General): My name is James D. Loebl, Deputy Attorney General in the Los Angeles Attorney General's office.

The Committee, I believe, has drafts of proposed legislation, changing the applicable provisions of the Education Code, 24201 through 24215, and also adding some sections.

In addition there is a draft of proposed changes to the Business & Professions Code, Sections 580 through 582; and finally, there are some more or less miscellaneous provisions in the Penal Code and other provisions in the Business & Professions Code.

I should like to direct my remarks to the Education Code sections only, as Mrs. Elizabeth Miller of our office will direct her comments to the changes in the Business & Professions Code.

With all humility we would like to submit now the latest draft (and it is the latest of a series of drafts) and presumably there will be more drafts to follow before this matter is in final form for the Committee to act upon.

As you can well appreciate, it is an extremely difficult thing to draft legislation in this field where the very legitimate interests of sincere educators and outstanding educational institutions may be interfered with almost on the same basis and with the same speed as illegitimate operations of the type that we heard for three days in this very room in October.

So it is with the sense of humility and with the feeling that from this hearing we went to learn, too, what should be in there and what the legitimate educational institutions in this state feel on the matter, that we present what we have here now.

We should like to take just a few minutes to tell the major reasons that we feel the present existing statutes are inadequate. First, we feel that they were never designed to prevent the type of activity that we heard presented here for three days in October. So if they did prevent it, it would be purely a coincidence, and of course,

they don't prevent it. We feel that a modern Act on this subject would have two or perhaps more parts, but first of all we will talk about two major parts, whether you call them chapters or articles, or whatever it is.

The first one would deal with the organization of new corporations in the educational field. The second one would deal with the regulation and disciplining of existing organizations to prevent them from the type of activities that this Committee has previously considered.

The existing law is inadequate, in our opinion, because it does not take into consideration the fact that the date on which a college is created is of absolutely no importance insofar as it complies with the rules and being an educational institution of merit. In the existing Act in Section 24202, the date "September 19, 1939" is made all-important. We believe that any change in the law ought to eliminate that date and put all educational corporations, regardless of the date on which they were incorporated, on the same and an equitable footing.

I have to make one exception to that and that, of course, is to the public institutions, the state institutions, and also those under the Board of Regents, which have never been considered in this connection because they stem from the Constitution and not from the Legislature.

We also feel that more specific controls in the law must be placed to prevent the sale and barter of degrees. There is nothing in the existing law that says a person

cannot sell or buy or use a fraudulent degree. The only thing that it says is that fraudulent practices may be prosecuted by the Attorney General, and I believe that most people in this room would consider that the sale of a degree would be a fraudulent practice, but we believe that this must be greatly tightened up.

Those are, in general, what we think are the inadequacies of the existing law.

We have presented several sections and should like to take them one at a time very rapidly.

24200 is a section that merely sets the definitions for the words "diploma," "degree," "certificate," "transcript," or "document".

24201 adds the word "university," which was not in the existing code. And then at the bottom it says "except as may be otherwise provided by law, no college, university, or seminary of learning may issue degrees, diplomas, certificates, transcripts, or documents of any kind or character whatsoever unless the college, university, or seminary of learning is formed pursuant to this Article."

This is an attempt to prohibit the circumvention of whatever we do hereafter by permitting the schools to go around the Act and incorporate themselves under another code provision.

24202, as I previously indicated, is a direct attempt to eliminate the significance of September 19, 1939.

The other changes in that Act are designed purely to make it as broad as possible and not limit it to the specific fields of study set out in the existing law.

CHAIRMAN HEGLAND: Jim, pardon me just a minute. I would like to have this in the record. The reason we feel that the date "September 19, 1939" should be eliminated is because 90 or 95 per cent of the illegitimate activities, as far as we know, have involved institutions whose charters, though they may have been bought and sold many times since 1939, that these illetigimate activities very largely involved these institutions and not institutions chartered since 1939, and it is primarily for that reason that we want the same laws to apply to all institutions so we could actually have criminal prosecutions against these institutions chartered previous to 1939, which we have not been able to correct. Is that substantially correct?

MR. LOEBL: That is exactly the situation. I think it is a fair statement to state that the overwhelming percentage of corporations which we term "diploma mills" in California antedate September, 1939. There were a few that were incorporated after 1939, but the overwhelming percentage was before '39.

The rest of 24202 is changed only for technical terms to tighten up the language.

Now, we are talking about the proposed new numbers. There is an existing 24204, and we suggest the repeal of

that section. 24204, the new one, is a mere renumbering of the existing 24207.

And 24205 is 24208 renumbered.

24206 provides the placing of the duty on the educational corporation to file with the Secretary of State and the Superintendent of Public Instruction the address of its home office, presumably the head of the campus, and to report all subsequent changes to the Secretary of State within ten days after they occur. This is an attempt to place on the institutions themselves the burden of telling the appropriate authorities in the state where they are located, where we can find them, and that's the sole intention of that provision.

Section 24207 deals with the powers and duties of the trustee, and that is true also of 24208. No changes were made in those. We think they are adequate if they are adequate for the institutions themselves.

I believe it is the opinion of our office that there is no law-enforcement problem with regard to those sections.

I should like to read 24209, because we consider this very important:

"No corporation may grant any honorary degrees, diplomas, or certificates whatsoever until it has conformed and complied with both of the following:

"(a) Clearly and plainly label the degrees,

diplomas, or certificates to be issued as honorary.

"(b) File with the Superintendent of Public Instruction of the State of California the name, address, and citation of the honoree at least 30 days prior to the date on which the honorary degree is to be granted, awarded, and delivered."

This is an attempt to plug a loophole, and the loophole is just this: Instances have occurred in which two or three years or more after a particular degree has been, we say "sold," we have come in contact with the seller or the purchaser, and we have said, "No academic work has been accomplished and completed for this degree." And the seller, of course, would then say, "Well, I guess you've caught us, that's true, there was no academic work performed for this degree, but on the other hand this is an honorary degree and it was known to be so at the time."

And we look at the four corners of the piece of paper that is the degree and we say, "Where does it say on the degree that it is honorary?"

And the person says, "No, it doesn't say it on the degree, but everybody knew it at the time."

Well, it is our understanding that all of the existing legitimate educational institutions that award honorary degrees do so very plainly and very completely on the face of the degree itself, and so this, I believe, presents no problem to them and they do this at the present time.

Of course, from the standpoint of the misuse of these degrees, the illegitimate schools, of course, don't want it on there. They want the maximum amount of benefit from the piece of paper itself. The date of 30 days prior to the date on which the degree is granted is not significant. It could be ten days, five days, two days, 45 days. The number of days in advance isn't important. We just believe that it ought to be in advance of the granting of the degree.

24210: "No corporation may confer any degrees, diplomas, or certificates, or issue any transcripts whatsoever unless it first files with the Superintendent of Public Instruction of the State of California a list of its faculty members and their addresses * * * ".

We don't believe that that is too much of a burden. We have found, for instance, that in the annual reports now required under 24213, one of the schools listed as members of its faculty people who alleged that they had received degrees, advance degrees from the University of Southern California. Upon checking with USC, we found that one of them had actually registered for a course but neither had received a degree, nor was going to receive a degree, in this century, at least. That part we don't believe presents much of a burden.

Now for the controversial part:

"at least three-fourths of the faculty must be

members in good standing of the American Association of University Professors."

This, frankly spoken, is an attempt, however halting that it might be, to place some qualitative standard on the faculty so that you can't get members of the Department of Medicine or the Department of Surgery or the Department of Philosophy or Political Geography or whatever it might be, who can't read or write, or at least if he can read and write, not do well enough to be able to teach anybody anything.

This is perhaps a halting attempt to put some qualitative standard on the members of the faculty itself. If this isn't the right standard or if this hurts or violates the legitimate institutions, perhaps another standard may be devised. We hope one can be.

We do feel, however, that the quality of the faculty is one of the most important things that you can have in an institution.

CHAIRMAN HEGLAND: Pardon me, Mr. Loebl. This represents an effort on your part and the part of the Committee and the draftsmen, to try to insure quality within the field of education itself, rather than by governmental edict, by some governmental authority saying, "You have to employ this kind of a person." That is the objective, isn't it?

MR. LOEBL: That is correct.

CHAIRMAN HEGLAND: To try to do it so that a private

enterprise in education itself would clean its own house and we would look to them for control rather than some governmental agency.

MR. LOEBL: That is correct. And this is also an attempt to put standards on the schools that are, we think, more meaningful than just setting a monetary figure for the property that the school must own. Of course, we all agree that a school can own a great deal of property and still be a very poor school, and if, in fact, that should be the case, the reason it would be a poor school would, in great measure at least, be because of the inadequacy of the faculty.

24211 is a specific, and we hope, admirable direct attempt to place in the Code a statement that one cannot sell, barter, offer to sell or barter, any degree, diploma, certificate, or transcript, or document evidencing the satisfactory completion of any course of study or scholastic achievement attained. Since this section was prepared, the question was asked, "Why should we limit it to a corporation? Why shouldn't a person, partnership, or corporation also be prohibited from selling a degree?" And frankly we could come up with no answer, and so at this time we should like to propose that the section be changed by adding the words, "No person, partnership, association, or corporation may sell, barter * * *" and so forth.

Also this section probably doesn't include the

giving away of degrees. I think that the Committee will recall last October a man sitting in the very same chair in which I am now sitting saying that for a very loose arrangement he had been actually given two degrees from an old friend of his who was president of one of the, shall we say, outstanding diploma mills in Southern California.

So I think also in that Section 24211 there should be appropriate language to the effect "Prohibition of giving away of degrees".

We have prepared language that incorporates this, and for the record I should like to read it into the record:

"No person, association, partnership, or corporation may give, sell, barter, or offer to give, sell, or barter, any degree, transcript or document evidencing the satisfactory completion of any course of study or scholastic achievement attainment."

At the same time we discovered that we didn't have a provision prohibiting the purchase or receipt of these degrees. You will note when Mrs. Miller testifies as to the provisions in the Business & Professions Code, there is a prohibition against the purchase, receipt, or use, or alteration, incidentally, of a degree in the healing arts field covered by the Business & Professions Code. We think similar legislation ought to be enacted in the Education Code, and for that purpose to be numbered in any way the

Committee sees fit, and we should like to propose 24211.1:

"No person, association, partnership, or corporation may buy, obtain by barter or gift, or attempt to buy or obtain by barter or gift, any degree, diploma, certificate, transcript, or document evidencing the satisfactory completion of any course of study or scholastic achievement attained."

And then also to bring the Education Code in line with the applicable provisions of the Business & Professions Code, 24211.2:

"No person, association, partnership, or corporation may use or attempt to use any degree, diploma, certificate, transcript, or document which has been purchased, obtained by gift or barter, fraudulently issued, illegally obtained, counterfeited, or materially altered."

24212 is a provision which we specifically call your attention to and probably will need reworking:

"No corporation shall confer any degrees, diplomas, or certificates, nor issue any transcript or other document for any academic work accomplished if the academic work is accomplished in part or in full at institutions within this state which are not organized pursuant to this Article, except institutions under the control of the Board of

Regents of the State of California, the State Department of Education, any local school district, or any County Superintendent of Schools."

Within our study of the diploma mill problem, we have found this so-called branch type of thing in which one so-called institution admits that it does not have the power to issue degrees and makes an arrangement with one of these old diploma mills, by the terms of which the first school is theoretically, at least, empowered to give the courses, and, in return for satisfactory completion of those courses, the student receives a degree from the second school. This was an attempt to eliminate that type of practice. We feel that on the college and university level, the academic work should be done by schools incorporated pursuant to the laws that we are now drafting, and therefore, they should be empowered to issue their own degrees and not have to rely on others of these corporations, the charters of which have been in existence for years and nothing has been accomplished under them.

24213 is a slight -- well, not exactly "slight," either, is the reworking of the existing reporting provision. Under the existing provisions, a corporation is required to file rather substantial reports each year to the Superintendent of Public Instruction, and, in addition, such special reports as the superintendent may, in his discretion, require.

Sections (b) and (c) of that Code are added to provide as follows:

"(b): The Superintendent of Public Instruction shall make such investigations as he deems necessary to determine whether or not there has been compliance with the provisions of this Article."

The members of the Committee will recall the discussion that occurred in October, at which it was deemed advisable to increase the authority of the Superintendent of Public Instruction to make investigations and to determine violations of the Code and to see that compliance by the existing corporations was obtained, and this is an attempt to place that in the Code.

Sub-section (c): "If the Superintendent of Public Instruction is satisfied that there has been full compliance with the provisions of this Article, he shall issue to the corporation a Certificate of Compliance in such form as he may prescribe. The corporation shall display the Certificate of Compliance in a place conspicuous to public view."

This is another attempt, of course, to obtain compliance with the Article.

Section 24215 is a reworking of the existing 21214, which is the basic reason that the Attorney General and his staff are involved in the problem in the first place. It adds "certificates, transcripts, or other documents" to the existing law.

Excuse me, that was 24215. 24214 reads:

"Wilful failure to comply or wilful violation of any of the foregoing provisions in this Article shall constitute a fraudulent practice within the meaning of Education Code Section 24216, by the corporation, firm, person, or association performing such violation, or failing to comply with such provision."

Nowhere in the existing Code is there the provision "What is a fraudulent practice?" The Code says that fraudulent practices shall be proceeded against by the Attorney General. Nowhere does it say whatis a fraudulent practice. Is this sale of degrees a fraudulent practice? We, of course, think so. Reasonable minds could conceivably differ, perhaps, under certain factual circumstances.

Another item that we saw was this so-called branch school previously described. Is that a fraudulent practice? Is extremely sub-standard work, like a Ph.D. degree for one course, perhaps in hypnosis, that met three or four times a fraudulent practice? We don't know. We are getting into the area where reasonable minds probably would differ there. That is the purpose of 24214.

Now, 24216: "Any person or persons, firm, association, or corporation violating any provision of this Article is guilty of a felony."

That changes the one word "misdemeanor" to "felony." And this, of course, brings into great importance and great

focus the policy of the Committee and also the general policy of law-enforcement in criminology that must give a background to a change in that one word. There are reasons for and reasons against it. There is one school of thought that says when you upgrade misdemeanors to felonies, you don't get the convictions, because we have juries who refuse to convict people when they realize the extent of the penalty.

On the other hand, in many instances, we feel that misdemeanors of a technical malum prolatum nature are overlooked and not given the weight that they are due and that the Legislature thought they would have when they were passed.

So while this section has been proposed to be amended by changing a misdemeanor to a felony, we feel that the Committee, in its wisdom, should consider closely what it wants to do on the subject, and of course, we retain open minds on it.

That concludes the applicable provisions of the Education Code that we have presented and if the Committee has any questions, we would be most happy to answer them at this time.

ASSEMBLYMAN BOYLE: Thank you very much, Mr. Loebl, for your presentation of the anticipated changes that we hope to bring about. Does any member of the Committee have any questions to ask of Mr. Loebl at this time?

Mr. Cusanovich?

ASSEMBLYMAN CUSANOVICH: No, not at this time.

ASSEMBLYMAN DOYLE: Mr. Hanna?

ASSEMBLYMAN HANNA: No, I don't think so.

ASSEMBLYMAN DOYLE: The changes that you suggested, Mr. Loebl, that we are having transcribed this morning, we will add to any presentations that we may make.

Do you have anyone else from the Department now that you would like to speak?

MR. LOEBL: Mrs. Miller is here, is present, and is prepared to testify to the changes in the Business & Professional Code, and also, I believe, there are one or two changes in the Penal Code.

ASSEMBLYMAN DOYLE: Mrs. Miller, would you like to make your presentation at this time. Those of you who may have arrived late this morning, even though Mrs. Miller is going to present some of the problems under the Penal Code and the Business & Professions Code, we are not asking on the call to the Governor for any changes except those in the Education Code.

MR. LOEBL: May I make one further statement, Mr. Doyle. It is our feeling that the provisions in the Business & Professions Code are predominantly penal in nature, and Mrs. Miller is probably the outstanding authority in the Attorney General's office in Los Angeles on criminal law and her specialty is criminal appeals, and it is for the

reason of her background that we have asked her to present those sections. Thank you.

MRS. ELIZABETH MILLER (Deputy Attorney General):

My name is Elizabeth Miller, Deputy Attorney General, attached to the Criminal Division of the Attorney General's office in Los Angeles. I think first we might look at page 12 of the report of the Committee, which sets forth a change, or an addition to the Government Code. This is the only proposed change in the Government Code.

It provides that every person who uses or allows to be used any reproduction or facsimile of the Great Seal of the state on any certificate, diploma or degree, shall be guilty of a misdemeanor. It excepts state schools and the University of California.

It was felt that this was necessary, notwithstanding the Government Code now provides that it is a misdemeanor to use the Great Seal for commercial purposes, because the diploma mills seem to be using the State seal to give their diplomas a look of authority. They have large facsimilies of the seal on many of the diplomas. On many of the diplomas they have the words "Incorporated by the State of California." They have the statement that "Pursuant to the powers given to them by the State of California they are conferring these degrees," and of course, the State of California only issues a charter for the corporation, and they have been capitalizing on the use of

the Great Seal and the word "Authorized by the State", "Incorporated by the State", and it is not just a local matter, because we have information that many of these degrees are going to foreign countries and other states, and it is an even more important matter when it seems that the State of California is taking part in the issuance of these degrees.

In the Business & Professions Code there are three sections in that part of the Code which do deal with the healing arts which exist now, but which probably should be tightened up.

Section 580 now prohibits the sale, barter, or offer to sell or barter of a medical degree, osteopathic, chiropractic degree, naturopathic degree, or any degree, certificate, or transcript made or purported to be made pursuant to any laws regulating the licensing and registration or issuing of a certificate to physicians and surgeons, druggists, practitioners, chiropodists, midwifes, osteopathic physicians and surgeons or druggists, practitioners in naturopathy, or persons lawfully engaged in the treatment of the sick or afflicted.

It is proposed that specifically a certificate or transcript in each of the specific healing arts be added to the Code, so it forbids the issuance of a degree, certificate, or transcript in any of these.

In part it is felt that this is necessary because

of at least one instance that we know of where some stranger attempted to secure the transcripts of a student who had excellent grades in one of the professional schools in one of the best universities in Southern California. The student found out that the attempt was being made to secure a transcript of his courses and grades before the stranger finally got hold of them, but the possibility of the use of these transcripts by other persons seems to be a fairly dangerous and important problem.

The provision in this section adds the "Psychology Certificate or Transcript". That was not in it before, but in view of all of the evidence of the psychology degrees that have been issued in Southern California, it was felt that that, too, should be here because that was becoming more and more a part of the healing arts.

There has been some argument made in the courts purporting to be made pursuant to any laws regulating licensing and registration of these specific items qualified the prohibition against issuing medical degrees or osteopathic degrees, or the other ones mentioned. It has been argued that in order to violate this section a person must issue a degree, which purported to be made pursuant to any licensing law in California. They have argued that if the degree could not serve as a foundation for licensing in California, the sale was not prohibited by this section.

We do not believe that a proper construction of

the section goes along with that. However, in order to eliminate confusion we thought it was necessary to make it clear by saying "any other degree, certificate, or transcript purporting to be made in any other system or mode of treating the sick or afflicted," cutting out the necessity for the other degree being made or purporting to be made pursuant to the licensing laws. This is actually, I think, a matter of clarification. I don't think it changes the law as it is now.

Section 581 provides: "That no person, company or association shall purchase or procure by barter or any other unlawful means or method, any diploma or transcript, with the intent that it should be used as evidence of the holder's qualifications to practice as a physician and surgeon, osteopathic physician and surgeon, naturopath, druggist, practitioner, chiropodist, or midwife, or any other system or mode of treating the sick or afflicted, or to alter in a material regard those degrees."

Here it is proposed that the necessity for the specific intent that it be used as evidence of the holder's qualifications be limited, because no matter what the intent with which the degree is secured, the intent could later change. He might intend just to put it on the rumpus room wall, but later he might decide, "Well, I've got it, I'll use it."

Section 582 of the Business & Professions Code

forbids"the use or attempt to use diplomas, certificates, or transcripts, which have been purchased,fraudulently issued, illegally obtained, counterfeited, or materially altered, in order to practice as a physician and surgeon, naturopath and so forth."

Added to that section has been added "or psychologist" for the same reason as I mentioned before.

One of the greatest changes that has been proposed is an amendment to Section 2141 of the Business & Professions Code, to make the practice of medicine, the practice of the healing arts without a license, a felony, instead of a misdemeanor, as it is now. That is the only change in that section which it is proposed will be made. It has seemed a little unusual to a great many people that the sale of a degree in medicine should be a felony now, while the practice of medicine without a license is only a misdemeanor, and it was thought that if the penalty were made the same as the other, it would be more equitable.

CHAIRMAN HEILAND: Pardon me, Elizabeth. It is true, then, that one could, under existing codes, take out an appendix and it would be a crime about equal to someone jaywalking?

MRS. MILLER: Well, yes. As you know, there is one case on record in which a man was convicted of a felony for purchasing and altering a medical degree. But no penalty at all was imposed because he was then employed at a hospital

here in town.

Section 24216 is a suggestion that there be added to the Education Code a provision which requires that a field representative of the Department of Education be given the duty of investigating violations of the Education Code, about which Mr. Loebl spoke, and providing that reports of violations shall be made to the Attorney General.

Penal Code Section 653 (1) would provide that every person who sells or barters, or offers to sell or barter, any academic degree of any kind or character whatsoever, and every person who purchases, procures, or obtains by barter or by any other unlawful means, any such degree, is guilty of a felony.

That is a fairly general section to be added to the Penal Code to back up the provisions of the Business & Professions Code, and the Education Code. This is not unusual. Frequently we have repetitions in the Penal Code of the provisions in other codes.

Section 273 (i) of the Penal Code would make guilty of a misdemeanor any person who practices or attempts to practice hypnotism on a minor or who employs a minor as a subject for hypnotic practices. It excepts from this any licensed person who is legitimately in the practice of the healing arts. This, of course, was based on the testimony which the Committee heard last October about hypnotism being practice on minors, and upon the evidence

that there was some possibility that this was resulting in damage to the child's mind.

These are the only predominantly criminal sections which have been proposed, and unless the Committee has questions, that is all.

CHAIRMAN HEGLAND: Thank you, Mrs. Miller. I am going to take the liberty of modifying very slightly at this point the agenda, by asking to come forward (because I am going to say a few kind things about him and ask him a few questions) Mr. Mulvey from the Attorney General's office. Mr. Mulvey has worked on this problem for a good many years. It has been something of a hobby of his. He has felt the need for legislation. Now, Jim, I'm sure Don and Lou will want to ask you a couple of questions, too. Do you still have diploma mills operating in Southern California, to your knowledge?

JAMES HUBERT MULVEY (Special Agent, Bureau of Criminal Identification and Investigation, Department of Justice, State of California): Yes, sir.

CHAIRMAN HEGLAND: You do?

MR. MULVEY: Yes, sir.

CHAIRMAN HEGLAND: Did some flee after the last hearing?

MR. MULVEY: I can't specifically name a one that has flown.

CHAIRMAN HEGLAND: So they are in business as usual?

MR. MULVEY: Yes. Some of them under indictment now,

Chairman Hegland, are still blatantly advertising their schools and their methods of operation. I cannot see any effect that it has had other than to make them more cautious. It is almost impossible to purchase a degree now without a long and elaborate operation, and a costly one.

CHAIRMAN HEGLAND: In other words, it simply lifted the price of the diplomas?

MR. MULVEY: That is correct, both on the investigation and the detection.

CHAIRMAN HEGLAND: And it is your belief that for a sufficient amount of money you could still purchase in Southern California almost any known classical degree?

MR. MULVEY: That is correct, sir.

ASSEMBLYMAN CUSANOVICH: Mr. Mulvey, do you believe that this proposed legislation will stop it?

MR. MULVEY: I believe that there are many facets which will control it to a certain degree. There will always be gentlemen trying to make a fast buck, but the control and the proposed legislation,which I have followed very closely, should curtail a great deal of the operations.

ASSEMBLYMAN DOYLE: I think you heard the statement made that we weren't going into some of the matters that Mrs. Robinson brought up. Do you feel that as soon as possible we should go into some of the sections of the Business & Professions Code as outlined here, this morning?

MR. MULVEY: Yes, Mr. Doyle, for many reasons which I

won't take the time to go into. I think they are well explained. Chairman Hegland stated this has been a hobby of mine. It has, for fifteen years, for which I have been remunerated, of course. From the prosecution's standpoint, I cannot see any change except an overflow, and a continual overflow, of these so-called diploma mills. They are getting larger all the time; they are world-wide. When a man in my position and in my job has to go in and try and prepare a case, and he looks at the vagueness, both of the Professional Code and the other codes, after a number of years it becomes pretty hopeless. They tie in each facet of the Professional & Vocational Code, as well as the other statutes, and they almost have to go hand in hand. I don't know if I am giving you a vague answer on that, but I even go further on this every time I can, not only with the schools, but with, for instance, building and loan organizations, banks that have no reputation, and every one of them stated "Chartered by the State of California." I merely use the Bank of America as an example. You don't see any such ads, you don't see the Seal on any of these organizations that have a reputation, because it is not necessary. The Seal and the "Chartered by" is the open door. It is the gimmick that gives people not only in California, but throughout the world, the attitude that, "Well, this must be great. This is from the State of California." Or at least it is legitimate. Whichever code that Mrs. Miller has

spoken of for proposed legislation, practically every one of them is intertwined with other legislation. One without the other, in my opinion -- I'm giving you a long answer.

CHAIRMAN HEGLAND: That's all right.

MR. MULVEY: -- is not too good.

ASSEMBLYMAN DOYLE: That is what I know Mr. Hegland and the Committee would like to know. We have prepared and are preparing legislation only affecting the Education Code, and the fact that we might have to wait and will have to wait until 1959 to put in legislation in the other code sections involved, do you feel that just doing the Education Code now could be helpful, at least get us started on something immediately, the Department and the State and others?

MR. MULVEY: Mr. Doyle, in my business, if I can get my foot in the door I'm half way in, so as a consequence, anything that can be used to assist eventually, and certainly there is no mecca of any legislation to the extent that you can do everything that will close all doors, but any chance of any of the proposed legislation passing now, even if it takes two years or if it takes five years to go into other legislation that will assist your Education Code, I think it is wonderful and fine.

CHAIRMAN HEGLAND: Just two more things, Jim. (1) How much money are we talking about? How much money is involved in this total diploma mill operation in Southern California

each year?

MR. MULVEY: That is a very nebulous matter.

CHAIRMAN HEGLAND: A rough guess.

MR. MULVEY: In my obtaining just inventories of the purchases of diplomas, balancing those against those that I have been able to obtain or take from on arrests, there are 50,000 diplomas missing. I don't know how many other diplomas were printed by other printers. I don't know whether they used them for wallpaper, they felt they were not beautiful enough or elaborate enough, but I would say in the year 1957 on the basis of facts, subtracting those that were ordered from those that I have in my possession, there were 50,000.

On the financial side, diplomas are worth only what the person will pay for them. You might be able to pick up a medical degree for $200, or were able to, and some other sucker might come along and wish to offer $5,000. So the actual money involved will run, could well run into the millions.

CHAIRMAN HEGLAND: Into the millions?

MR. MULVEY: Yes, sir.

CHAIRMAN HEGLAND: For the record, your full name and address?

MR. MULVEY: James Hubert Mulvey, Special Agent, Bureau of Criminal Identification and Investigation, Department of Justice, State of California.

CHAIRMAN HEGLAND: Thank you, Jim. If there are no further questions, please accept the thanks of this Committee for your sincere efforts in this line, and I am sure the thanks of the people of the State of California and also Governor Knight.

ASSEMBLYMAN DOYLE: Couldn't we say, Mr. Mulvey, that right here in Southern California this racket runs into several million dollars a year?

MR. MULVEY: Yes, sir, as it is the center of the racket. I have not had the opportunity to go into other areas, but from indications the normal flow over a long period of time, this is the center.

CHAIRMAN HEGLAND: Now Mr. Ludlam. Would you please give your name and your title and just a brief statement of the background about your organization, because it is a very eminent organization.

JAMES E. LUDLAM (Attorney): Well, with the Chairman's permission, I will represent two organizations, because they are both involved in this matter.

My name is James E. Ludlam, attorney, law firm of Musick, Peeler & Garrett. We are legal counsel for the California Hospital Association. We are legal counsel for the Association of Independent California Colleges and Universities.

The California Hospital Association has a membership of some 400 licensed hospitals in this state, both government,

proprietary, non-profit, religious, all types of approved hospitals.

The Association of Independent Colleges and Universities is made up only of accredited colleges, colleges which are accredited by the Western College Association.

There are 25 members, and I think you are familiar with them. They make up Occidental, Redlands, Caltech, Stanford, Pomona, Claremont, and then they run the gamut, Loyola, Santa Clara, University of San Francisco, and the like.

The first interest on our part was created at the request of the Western Colleges Association due to the fact that it was reported that the standards of colleges in California was one of the lowest in the United States. So the Association investigated the matter and came to the same conclusion and recommended that certain legislation be introduced, which was introduced and in part gave rise to these hearings, as the Chairman knows.

I might say that we were perhaps a little naive as to what the solutions of this problem might be. We were not familiar with the diploma mill problem, as such, and that came forth from independent investigation which was proceeding by the Attorney General's office at the same time.

So we met together and attempted to work out a complex problem, or two complex problems, really, at the same time, and I think that's the reason why in some respects

the legislation has become overly complex and the reason why I will perhaps have to criticize some of the legislation which I thought was good at an earlier date.

I think to give the Committee some background as to the complexity of the problem, I might explain the hospital's position first in an educative field, because although it is probably not generally recognized, they are one of the main educational forces in the state. This is how it works: Starting at the higher level they participate in the training of doctors through the intern and resident programs. They give education through experience within their institutions. They give certificates or diplomas to those doctors who complete that course of training.

They also work with the Board of Nurse Examiners, and to have a nursing school in the State of California, it must be a part of a hospital in order to furnish the clinical training. But many of the hospitals affiliate with other types of educational institutions for the academic work because we have three types of nurses in California at the present time, all who are entitled to carry the RN. We have our four-year degree nurse who carries a college degree. We have our three-year nurse who does not receive a college degree and now, under the legislation adopted in 1957, we have our two-year degree, which will be in affiliation with a junior college, which will be an "AA" degree.

The practical work under all three of those programs must be performed in a hospital and a hospital's facilities are not devoted exclusively to educational purposes. As a matter of fact, a hospital may be working with one of these programs, and have no part of its property devoted exclusively to educational purposes, because under the courts' decisions in this state hospital purposes are different than educational purposes.

I think you can see some of the complications of the problem, of some of the language which is in the proposed legislation which we have.

Then you go on down into other educational fields. Your X-ray technicians are primarily trained in hospitals. There is no licensure for X-ray technicians, so the standards are set by the institutions themselves. On the other hand, the lab technicians are also trained by the hospitals who do have a licensing program and their standards are set with which they must comply.

Then we go into the dietary departments, and our dietary people are trained primarily in our own hospitals, but sometimes from affiliation with junior colleges. The same is true in connection with our record librarians.

So this becomes an extremely complex problem of the interrelationship of these groups.

Now, to come back to your nursing education, for example. No one hospital, with the exception of a few of

the major County hospitals, can furnish all the clinical training which must be furnished to these nurses, because they may not have an infectious disease ward. So then they must affiliate with another institution which may be a sanitarium, like a t.b. sanitarium, where the girls go for that work.

So there is a great crossing of these organizations in furnishing the legitimate type of work.

In our record librarian's work there are oftentimes affiliations with industrial plants because there is a crossing of talents. As a matter of fact, one of our great losses of our record librarians is the raiding by the big research institutions who want girls who are trained in this work. So there is cross-training there.

So you may actually have industrial organizations participating in training, as well as hospitals, sanitariums, junior colleges, colleges, County institutions of that type.

I want to bring that out so that you will get the feel of some of the other remarks which I will make later as to the complexities with which you are going to be faced when you draw comprehensive legislation in this field.

Now, to come back to specific proposals. Neither of the two organizations would have any objection in principal to the proposed sections on pages 10, 11, and 12 of your report. As I understand it, one institution has raised some question as to the wording of the proposed amendment to

273(i) dealing with hypnotism, as a technical matter, and I understand they have dealt directly with the Committee on that matter, so we won't speak further on it. But I will say that both organizations would be most happy to support the Committee on a special call on this entire program which you have, and if this program were adopted by the Legislature, the activities of this Committee would certainly be more than justified and would have made a major accomplishment.

But when we come over to the proposed draft of January 23, 1958, we have some general comments to make. The present Division 12 of Chapter 2, Article 1 of the Education Code is a hodgepodge of unrelated and often complicated divisions. Any time you revise the provisions in its present form, it only perpetuates the confusion. It would appear that an over-all revision is in order, and for that purpose the division should be divided into at least three major subdivisions, as follows:

Subdivision 1, incorporation law: This subdivision would set forth the general and specific requirements relating solely to the incorporation of colleges, universities and the like. This would include the basic material now covered by Sections 24201, 24204, 24207, 24208, 24209, and 24211. However, we believe that there are some very peculiar restrictions in there which are not properly a part of the Code and should perhaps be eliminated.

We would recommend further that a subdivision 2 be adopted on the authority to grant degrees. This subdivision would include a series of sections relating to the authority to grant degrees and the like by institutions of higher education.

At this point I might interpolate that we cannot understand from the language of the proposed legislation whether it is meant to cover only the institutions of the 12th grade, or whether it is proposed to cover kindergartens through to the highest degree which you may offer. It is not clear to us as to what is proposed by this legislation, and certainly that principle must be clarified. We believe that the matter of degrees should be covered and spelled out separately.

This subdivision should spell out the various degrees to be controlled and then establish the conditions under which such degrees may be granted. It is important that this subdivision not be limited to those corporations covered by Subdivision 1, because several colleges are established by special legislative act and some are incorporated under other divisions of the Corporations Code.

CHAIRMAN HEGLAND: Pardon me just this one moment. We are laymen here primarily. I believe Mr. Hanna and Mr. Cusanovich probably are. I think we are going a little too swiftly. As you make each one of these points, could you relate it to the matter at hand, that is, is it your feeling

that this section should be restricted only to higher educational institutions, or do you feel that it should go from kindergarten on up?

MR. LUDLAM: I would say this: That we believe that the different degrees of education should be treated separately. In other words, the problem with your degrees, as you have found out with your medical institutions, is a separate problem, and we believe that you should set up one set of standards for your degrees, your classical degrees. Then when you get into other problems we do not feel qualified to speak. For example, the business colleges, as you already know, feel they will have a problem. We feel that the control of that type of group should be worked out on a separate subdivision.

CHAIRMAN HEGLAND: All right. But in reference to this Act, are we assuming (and I think this has been the Committee's opinion from the beginning) that we are dealing only with post-twelfth grade education? Does that meet this objection of yours?

MR. LUDLAM: That is correct. The language doesn't say so.

CHAIRMAN HEGLAND: In other words, that portion of your testimony is simply a request that we put in a section here saying that this total Act has to do only with post-twelfth grade education. Would that meet this problem?

MR. LUDLAM: That is correct.

CHAIRMAN HEGLAND: Now if you could go slowly with layman up here so we could relate this to a specific bill, because we must have legislation.

MR. LUBLAM: That is correct. I'm stating general principles now. If the Committee will give me time, I will go back through this entire piece of legislation and comment on it, and I think show you what our thinking is on it. This is not a simple matter, I fully agree with you. I thought it was the first time I took a crack at it, but I found out it wasn't.

Some institutions who have participated in the field of higher education are not primarily educational institutions. That comes back to my point that where you have affiliation, for example, in the college field through an intern program. You may, through a school of business administration, have affiliation with General Electric Company, where men actually go and spend time with General Electric Company and do work for which they are given academic credit. Therefore, as the language is now. General Electric Company would have to qualify as an educational institution.

CHAIRMAN HEGLAND: Only if they were going to give a degree.

MR. LUBLAM: No, I'll comment on that.

CHAIRMAN HEGLAND: All right.

MR. LUBLAM: You cannot give credit for any time spent

there under the legislation. For example, the County of Los Angeles has some social agencies who furnish field work training in the various fields of social work. A graduate school of nurses must, by law, be a major hospital, nearly all of which are incorporated as charitable corporations and not as educational institutions.

There are many other types of full or part-time affiliation which are legitimate and for the best interests of the student.

We should suggest that present Sections 24203 and 24205 be incorporated into this subdivision. That is of your old law - not of the proposed law.

Now, then, we will suggest that a third subdivision be established, in which all of the penal provisions be put in one place. It is difficult for anybody to know what law they are violating when the penal provisions are strung through the law as they are at the present time. If it is the desire to regulate other types of educational institutions, such as business colleges, trade schools, or other similar educational institutions (and I'm not meaning to imply that business schools are trade schools, but I mean there are different categories) then separate sections should be prepared based upon investigation to control those institutions.

Now, if I may refer to your draft of 1-23-58. It is our belief that Section 24200 represents progress, because

now you have a definition of the items which are to be controlled. But at the same time you should define what you mean by a college, university, seminary of learning.

And the degrees, diplomas, et cetera, referred to in 24200 should be limited to those that are granted by the type of institutions you seek to control, because since there is no limitation of the definition of these words, as I say, a certificate granted by a kindergarten would be controlled by this Article, because it isn't limited elsewhere.

We wish you well in trying to find a seminary of learning. My investigation has developed no definition of that term to date.

I do believe that if you would define it in terms of "above twelfth grade" I think then you will have a workable definition from which you can develop the rest of your provisions.

We think that you should include junior colleges as well as colleges, because the problem that you seek to solve could well exist in the junior colleges as well as the colleges, and I think the Committee would accept that.

ASSEMBLYMAN HANNA: You could define "college" to include "junior college".

MR. LUBLAM: That is right.

Now we come to Section 24201. This may be a matter of detail, but we believe that Subdivision (d) is archaic

and should be eliminated. In other words, that is, as I think Mr. Hanna will agree, properly a part of the by-laws of any corporation and is not a matter of statutory action to limit the number of trustees that one of these institutions should have. I realize that is not a matter of importance, but in any reworking of the law we would suggest that that be eliminated.

CHAIRMAN HEGLAND: Before we leave 24200, would you be prepared to present to the Committee in some timely fashion your own suggestions written out as far as 24200 goes?

MR. LUBLAM: I was afraid of that. What we would like to suggest is that our association will furnish a committee of educators to work with the staff of the Committee, and any members of the Committee, on this whole problem. We think that working back and forth on a hearing basis is not going to resolve the problem within the deadline which you have reached, and we suggest that a committee and such other parties as have direct interests. We are sure that other speakers will want to appear and perhaps a roundtable discussion will be more effective in resolving some of these problems.

ASSEMBLYMAN DOYLE: When you say "a committee of educators" do you want to define that a bit?

MR. LUBLAM: We only recognize one kind, Mr. Doyle. If you want to say "legitimate" or "true educators" that is all right, but we don't use that within our own family.

Frankly, our organization would prefer that if a degree-granting power be limited in the liberal arts field, that it be limited to non-profit organizations, but we do not feel this is the time to make an issue of it. That will probably be a voluntary development over a long range.

Under 24202, I have had so many drafts over a period of time, I'm having a hard time keeping up. Again, all through this, I think if we assume that the Article is limited to colleges above the twelfth grade that that would take care of 24202.

Again that applies to all types of institutions which would issue diplomas or certificates.

CHAIRMAN HEGLAND: In other words, we are talking about education past the twelfth grade.

MR. LUDLAM: That is correct. If that is the Committee's decision, I think by draftsmanship that could be incorporated in the early sections of the law and it would clarify a lot of these problems.

It is our belief that as to 24202 there is duplication between (a) and (b) and (c), and we believe that (c) should become the key section of this, and that (a) and (b) do not become necessary if you properly define what the property qualifications are to be shown in the affidavit. There has been a recent ruling by, I believe the Attorney General's office, or at least the County Counsel's office, that you cannot file an instrument

evidencing ownership as such. It has to be a deed or a mortgage or some other type of instrument. So there is a question as to whether or not it is possible to file -- say you are operating a lease which is an ownership interest in property, you cannot file that just for that purpose. So we would suggest that Subdivision (c) be rewritten and be the key for this (a), (b), and (c), because the affidavit will be the key to your problem.

Again, the clause "exclusively for the purposes of education" will create a problem for your hospitals. Some of them will have to close their nursing schools, because of this provision. And since California produces only 40 per cent of its own nurses, I think that would require further exploration.

CHAIRMAN HEGLAND: Do hospitals give degrees now? Is that the problem?

MR. LUKAM: That is correct, and certainly they grant diplomas and certificates and transcripts and these other items which you cover.

You can solve it as far as the hospitals are concerned by leaving in the present exemption which is not entirely an exemption, but sets up a separate qualification for hospitals. I think that's 24206 of the present law. I don't think any harm will come by leaving that section in the present law, but I call to the Committee's attention that there may be other types of organizations that have

the same problem that hospitals have of which we don't know. In other words, General Electric Company may be giving a credit, I mean giving a transcript for the courses which they give in their training program, upon which credits are then given at a college, and General Electric Company would not qualify for this section.

CHAIRMAN HEGLAND: However, isn't it also true that General Electric and IBM and the rest of them, that these transcripts which they issue do not have academic significance until they are recognized for credit after the student has transferred to the university or college? So does this represent a problem?

MR. LUDLAM: Yes, it does under the definition of 24202 as it presently exists. If you go up to the top it says, " * * * the corporation shall not accept tuition fees or grant any degrees, diplomas, certificates, or issue any transcripts or other documents until it has complied with this section." So if it issues a transcript like IBM, for example, saying that somebody in computer work has completed so many hours and that man goes to UCLA and gets credit for it, IBM has already been guilty of violation of this section.

I think what you have to come back to, Mr. Chairman, is that the degree-granting institution must be the one that is legally responsible for all of these items, and we must place the responsibility in law upon it, and then see

that we are dealing with legitimate institutions who have the right to grant degrees. I think any other course at this time is going to lead us into a maze of unanticipated difficulties.

ASSEMBLYMAN DOYLE: Of course, unless you tie it down, we are going to be right back where we started, aren't we?

MR. LUDLAM: I think that you will cure a substantial part of your problem with your legislation on 10, 11, and 12 at this point. I think you will cure 70 or 80 per cent of your problem with that. And then with further study you can whittle it down, but you are not going to do it all in one fell swoop, I am sure.

ASSEMBLYMAN DOYLE: My point is, We know that General Electric and some of the other firms in Northern California that have moved up along the Peninsula, that they are giving these courses through the University of California, through Stanford, and so forth. We are not concerned about them as such, as you know. But if we leave a loophole for them, where does that leave us? How much more territory can be brought into it? What about some of these operators that we have?

MR. LUDLAM: Well, if you were the attorney -- I will ask this of Mr. Hanna -- of General Electric, and you were asked whether you could continue these courses affiliated with Stanford with this type of legislation what would you say?

ASSEMBLYMAN HANNA: Not without violating that section.

MR. LUDLAM: That is correct, and you can't be sure that somebody isn't going to get mad at General Electric and prosecute you for a felony.

CHAIRMAN HEGLAND: Let me explore this a little bit further. You said "affiliated with Stanford". Well, we can give an exemption of this sort "affiliated with an institution which otherwise qualifies". But I was not aware that industrial concerns give transcripts as such, and I was not aware that these transcripts, as such, have any academic meaning in the academic world until they are accepted and evaluated for credit by the appropriate university or institution.

MR. LUDLAM: The institution may accept this. This whole educational field is changing so much and we have to utilize resources for education in this new age that we have never had to utilize before. So very often your big industrial concerns are the only ones that have the talent to give the type of training, and they do that as a part of their own development program, and it is only right that the universities and colleges should recognize work that is done in those institutions, and they have to have some record upon which to base it.

ASSEMBLYMAN DOYLE: That I agree with, but I don't want Greenbriar,or whatever the name of that outfit was, sending students out here to Lockheed or some of the other plants and

giving credits for them and bringing them back there and getting a degree out of it. That's my point. I can appreciate what you are talking about and that we want to take care of, but we don't want to open that gate that far. We want to tie it down. Do you think we can tie it down?

MR. LUDLAM: I hope we can. We haven't found the immediate solution. That is the reason why I say further work has to be done on this particular problem, because we don't want to burn down the barn to kill a few rats at this point because we all know the need of education. This education field is getting so complex so rapidly that we have to be careful and keep the most flexibility in our higher education that is possible, because as I say, Goodrich and these companies that have these fine scientists, perhaps the training they get there is better than they would get in some of our colleges and universities. We are just calling attention to the fact that there is a real problem.

ASSEMBLYMAN HANNA: Mr. Ludlam, to get into the record an observation on this 24202, if you start out at the beginning of the paragraph "If a corporation is authorized by its Articles of Incorporation, or Amended Articles of Incorporation, to issue certificates, diplomas, transcripts, or other documents ***" this language might appear to some people to limit the application of the remainder here, in that they might feel that not very many corporations would,

in their Articles of Incorporation, be empowered to issue certificates, diplomas, or transcripts.

I will ask you, Is it not rather a general practice to authorize in Articles of Incorporation, particularly large types of operations, the power to do almost everything?

MR. LUDLAM: That is correct.

ASSEMBLYMAN HANNA: Including the issuance of perhaps these certificates?

MR. LUDLAM: In our standard form of articles which we use in our office, we include this power.

ASSEMBLYMAN HANNA: I wanted to make that a part of the record.

MR. LUDLAM: It may be a real estate company, just as a matter of protection, because you never know where you are going.

Incidentally, in connection with this 1939 provision which formerly existed here, we are entirely in favor of your action in elimination of that. The mere elimination of that will have an impact upon some of these existing charters which exist. I mean, that in itself will be a major step forward.

Shall I go on? This is a very important section.

ASSEMBLYMAN DOYLE: I'm glad you brought it up. As I say, I think it is something that we can handle, but we want to do it in a way that will not defeat our purpose on the other sections.

MR. LUDLAM: That is correct. We are trying not to be negative. We are just trying to be sure that you are apprised of what the problems are and offer our services to help.

Under Section 24204, which is out of the present law, we again suggest that that is not a proper provision and should be deleted.

The same as to 24205. You can make a very constructive effort here and shorten the existing law. Those aren't enforcement provisions; those are internal affairs provisions, and govern the existing law.

Now we come to 24206, which ties into the later section on reporting. Educators in the major institutions have called to our attention that the present reporting section creates a problem by the very detail that is required, and we have roughed out a suggested language which we believe would cover both 24206 and the reporting section, and I would like to read it into the record for consideration by the Committee:

"(a) Every college, junior college, university, or seminary of learning with the power to confer any degree, diploma, or certificate, shall file annually with the Superintendent of Public Instruction a verified report showing the name of the institution, the address of its principal place of business, the name and addresses of its principal officers, including

the person or persons designated as the custodian of its records, and the number of students receiving instruction.

"(b) Such institution shall maintain at its principal place of business, as designated in such report, the names and addresses of its students, the courses of study offered, the names and addresses of the faculty, and the courses of study taught by them; the degrees, diplomas, or certificates, if any, granted by the corporation, and to whom granted, together with the curricula upon the basis of which the degrees, diplomas, or certificates were granted.

"(c) The Superintendent of Public Instruction shall make such investigations as he deems necessary to determine whether or not there has been compliance with the provisions of this Article."

Now, what we have, in effect, done, is broken this down in two parts. One is to give the Superintendent of Public Instruction knowledge that these institutions exist, and a determination as to who its officers are and who the custodians of its records are, and the number of students it is instructing. Then if he has reason to suspect that particular organization, he will know where to go and they will be required to keep this information and have it available for him. I think the language needs

further dressing up as to how often these reports should be made, when they should be made, how long these records should be retained, and the like, but I think that this would be a practical solution to the problem of enforcement, without being an unnecessary burden on the legitimate institutions.

ASSEMBLYMAN DOYLE: You did not include there the Secretary of State, filing with the Secretary of State, as well as the Superintendent of Public Instruction.

MR. LUDLAM: No, we felt from this point of view that this was only an instruction problem, or an educative problem, and not for the Secretary of State, because the Secretary of State is not involved in this particular matter. If you feel that it should be filed with the Secretary of State, I am sure that another carbon copy could be run through the typewriter without any problem, but I don't think it is properly his concern.

ASSEMBLYMAN DOYLE: I don't know why we mentioned Secretary of State before, other than the fact that it just gives a little more punch to it, that some of these people may realize that it is both the Superintendent of Public Instruction and Secretary of State. No. 2, in reading that section over, when you talk about the instructor, how many instructors and how many students, and the subjects that instructor or professor is teaching, did you include in there that also that professor give his educational background?

MR. LUDLAM: I assume that we would have no objection to that.

ASSEMBLYMAN DOYLE: From where he may have graduated, or what college.

MR. LUDLAM: What degrees he holds.

ASSEMBLYMAN DOYLE: What degrees he holds. Now, if he is teaching English, does he have a degree in that particular subject. Do you see what I mean?

CHAIRMAN HEGLAND: And from what institution. Very good.

MR. LUDLAM: We have that anyway. You see, our problem is, if you have to compile all this information for a large university every year and go through all your cards, pull this information off and send it in for a report which promptly dies in the office of the Department of Education, we don't think that it is constructive.

But at the same time, we don't want to keep the information unavailable to the proper parties.

ASSEMBLYMAN DOYLE: If the university and the state colleges and business schools do it, then I think all of them should do it, and do it on that same basis.

MR. LUDLAM: That is right. So we feel that a skeleton report which will give you an indication of the existence of this organization, and then require them to keep this information available for a period of five years, ten years, or whatever you want to say, if we have all that information, and any legitimate organization should keep it as part of

its records, but record keeping is becoming a serious problem, and also reporting.

Section 24207, as proposed, again includes material which has to do with internal operation, and we suggest that the law could be condensed by elimination of many of those provisions as not being a proper part of this type of law.

CHAIRMAN HEGLAND: This is simply drafting, so could you draft something that you would like for that section?

MR. LUDLAM: Certainly.

ASSEMBLYMAN DOYLE: Let's say something that we will agree with.

MR. LUDLAM: I didn't say that. I think agreement is going to be difficult at times. There are other people sitting back of you who may not agree with what I say, I am sure.

Now, 24208 again is the same type of problem.

Now, on this matter of honorary degrees, which is Section 24209, in talking to the educators on this subject, they say that they do not necessarily label them as honorary degrees by using the word "honorary". What is done is that there are certain designated degrees which are not academic degrees. There is the Doctorate of Laws, and I think there is a Doctorate of Humanities, and two or three other degrees of that type, which are recognized as being non-academic degrees, and that is what is given as

an honorary degree by the legitimate institution, and the word "honorary" is not used in any place.

ASSEMBLYMAN DOYLE: Are they so stated?

MR. LUDLAM: Yes. So you could designate the honorary degrees which may be granted, provided they shall not be academic degrees. Whether that is going to help the poor layman who isn't familiar with this, I don't know.

ASSEMBLYMAN DOYLE: As an example, Herbert Hoover has eighty-three honorary degrees.

MR. LUDLAM: Doctor of Laws, in most cases. But there is no such academic degree.

CHAIRMAN HEGLAND: Then could we take care of that problem by simply saying that this section does not apply to named degrees, but if they are given honorary Ph.D. degrees, that they should be labeled as "honorary"?

MR. LUDLAM: I think that could be worked out. I am simply drawing attention to the fact that because of the testimony that has previously been given, that at least that was our understanding of the problem. Also, they are very willing to give you a list of the degrees after they are granted, but very often this is confidential material and they would prefer to only be required to give you notice of the degrees upon the granting thereof.

Sometimes there is a lot of publicity about it. Sometimes they don't know whether the man will be present to get the degree or not until the very last minute.

ASSEMBLYMAN DOYLE: You mean only the information that the degree has been granted?

MR. LUDLAM: That is correct.

ASSEMBLYMAN DOYLE: Such as stating that Henry Kaiser will be at St. Mary's to get a Doctor of Laws degree, or whatever it might be?

MR. LUDLAM: That is correct. I don't think anything will be accomplished by knowing in advance of it anyway. There is nothing you can do about it under the law.

ASSEMBLYMAN HANNA: Mr. Ludlam, is it your experience with the legitimate colleges and universities that they do not grant honorary Ph.Ds?

MR. LUDLAM: That is correct.

ASSEMBLYMAN HANNA: Certainly not in the State of California, that I know of, anyway.

MR. LUDLAM: That is correct.

ASSEMBLYMAN HANNA: I think that possibly anybody who is granting any honorary Ph.Ds is not going along with what we understand is the accepted practice.

MR. LUDLAM: That is correct.

Is there anything further on that particular section?

CHAIRMAN HEGLAND: In other words, your organization has no opposition to this section, providing that we exclude Doctor of Laws degree and one other?

MR. LUDLAM: Well, I wouldn't want to say that. Maybe one or two other degrees, but whatever the standard honorary

degrees are, if you excepted those, we would have no objection.

And also some leniency on their reporting provision. As you know, the degrees are granted at the very busiest time of the school year, when the president and secretary have many other things to do besides file reports on a matter of this type, but we will be glad to work with you on that.

24210 again is a section which has to do with the conferring of degrees and the reporting which is made. We would believe that if you would adopt some section such as we have suggested in connection with the report and information to be on file, that would take care of it.

Our institutions are not happy with this AAUP provision.

ASSEMBLYMAN HANNA: I was sure of that.

MR. LUDLAM: They don't even know whether they are faculty members or members of that organization, and they don't feel it is any of their business, so we would prefer to have you reach that problem in some other fashion.

Also the hospitals, for example, who are granting degrees, their people aren't even qualified to join this organization. So we would suggest that something else be done.

CHAIRMAN HEGLAND: We will appreciate, in due course, a specific suggestion as to how we can do that.

MR. LUDLAM: I knew what was coming, too, I think what we'll do is make a best effort.

24211, I think there is no problem with that. I think that we have already said that we would go along with that.

Now, this 24212 --

ASSEMBLYMAN DOYLE: We added Section 24211.1 and 24211.2. Those were added during the testimony.

MR. LUDLAM: I listened to the language, and from what I heard I could see no objection to that.

Now, 24212 comes right back to our basic problem.

ASSEMBLYMAN HANNA: That is the heart of the problem.

MR. LUDLAM: Because, as I say, under this provision, General Electric would have to comply.

ASSEMBLYMAN DOYLE: I think we can handle that.

MR. LUDLAM: I think there must be another way to handle that.

ASSEMBLYMAN DOYLE: Because we are getting more and more of that with the industries taking these people in, both night classes and day classes.

MR. LUDLAM: That is the way we get free education of the very highest quality and I think it should be encouraged.

ASSEMBLYMAN HANNA: Mr. Ludlam, don't you feel that where we have to place the focus and the spotlight, then, is on the degree itself and the responsibilities for the degree, when actually issued?

MR. LUDLAM: That is correct.

ASSEMBLYMAN HANNA: And perhaps the certificates and transcripts and other things that we are talking about here with proper definition we can probably --

MR. LUDLAM: Maybe treat it separately. It is a real problem, Mr. Hanna. We want to cooperate with the State on giving them all the tools of enforcement that they need, but I think that maybe we don't want to cut out some programs which are important.

CHAIRMAN HEGLAND: To clarify this, certainly no corporation should issue a degree or diploma, however,

MR. LUDLAM: That is correct.

CHAIRMAN HEGLAND: So your discussion concerns only certificates and transcripts and other documents.

MR. LUDLAM: That is correct. I think if you limit it to that, that will be correct.

Now, we do come back to the hospital problem, and I think art schools would probably have a problem, too. I don't know. I don't know anything about art schools; I don't know whether you have contacted them or not, but they may have a problem. But if you kept your hospital exception, I think that would take care of it. I think that might be assigned to the Committee to work out. But I think if the provision of that exemption specified that it was not a total exemption, but merely a different definition, it would solve the bulk of their problems.

Section 24213 is this matter of the reporting again, and we have already commented on that by previous sections.

Section 24215 would have to be revised to comply with the other changes which were made, but in principle, why, we are in favor of it as stated.

The same way with 24214 and 24216.

Have I said enough?

ASSEMBLYMAN DOYLE: It has been helpful in bringing out some of the problems that you have, and as I say, my main concern, personally speaking now, and perhaps for the Committee, is that we don't want to give the Attorney General's office or the Department of Education a gun without some ammunition.

MR. LUDLAM: Well, if you tell them that they have to enforce it when the changes are made, I think they should enforce it. If you have a law, let's enforce it and get behind it. We are just as anxious to get it enforced as you are.

ASSEMBLYMAN DOYLE: Is your organization sufficiently concerned and interested that they would feel in a position to let the Governor know that they are interested in this legislation?

MR. LUDLAM: Oh, certainly.

ASSEMBLYMAN DOYLE: Would you do that?

MR. LUDLAM: Yes. What we are primarily interested in at this point is seeing you get through these provisions

that you have in your report. I think that we can back you wholeheartedly on this. We will keep our fingers crossed on the other, to see what finally develops. Actually, we are interested in hearing what the other witnesses have to say, because this is a new field to us and we are sure that other material which will develop from your hearing today will help us adjust our ideas, too.

CHAIRMAN HEGLAND: We appreciate this and our understanding is that you will request a special call at this session so we can take the first steps toward elimination of this racket.

MR. LUDLAM: That is correct. And we will offer to cooperate with the Committee on a roundtable basis or in any way that you feel will be constructive.

ASSEMBLYMAN DOYLE: You understand, of course, that we are not asking the Governor for any specific legislation except on this one point.

MR. LUDLAM: That is right, and that is the subject of diploma mills.

CHAIRMAN HEGLAND: Thank you. We just have one more witness before adjourning for lunch, a representative of the California Medical Association, who must leave by noon, so Ed, we will be delighted if you will come forward.

MR. ED CLANCY (Representative of the California Medical Association): Naturally, the California Medical Association concurs very strongly in what you are doing, and

I personally have had some experience. We sent a chap through a physical therapy school and he secured his diploma in physical therapy, and then for $300 extra -- I mean, he received a degree in ophthalmotherapy, but he can now go out and cure cancer by the use of some special goggles and stuff.

If I had known I was to be here, I could probably have brought the material down, but it was a lecture by the proverbial Vienese bloodless surgeon, and for $300 he could secure a degree in ophthalmotherapy.

ASSEMBLYMAN DOYLE: Could you get that for the Committee?

MR. CLANCY: I think Mr. Hassard has them. We sent it to Utah where the governor vetoed, I think, legislation to finally outlaw naturopaths. I believe, that is where it was last used.

Mr. Hassard has asked that I make a very inadequate appearance for him to present just a few of the ideas that he has in connection with the legislation. With your permission, Mr. Chairman, I would like to read it into the record, if I may.

He says,"(1): I certainly concur that legislation of this subject isvvery definitely needed.

"2: Business & Professions Code, Section 580: The bill amending this section is O. K. However, it seems to me that Section 580 needs a general overhauling. It has been in the Code since 1937, and previously was in the

General Statutes. It refers to drugless practitioners, midwifes, and naturopaths -- all categories for which licenses are no longer issued -- and it is somewhat repetitious in its language. I wonder if it would be advisable to re-write Section 580 entirely, somewhat along the following lines:

"'580. No person shall sell or barter or offer to sell or barter any medical degree of any kind or character whatsoever, or any degree in any of the healing arts, or any certificate or transcript made or purported to be made pursuant to any law regulating the licensing, certification, or registration of persons engaged in any of the healing arts.'

"3: The proposed new Section 654m of the Penal Code appears adequate.

"4: Likewise, the proposed new Section 24216 of the Education Code looks both adequate and desirable.

"5: The proposed amendment to Business & Professions Code, Section 2141, making unlawful practice of medicine a felony, is admirable.

"6: The proposed new Section 653.5 of the Penal Code appears satisfactory, although I would suggest that the last sentence be reworded as follows: 'This section is not intended to apply to any act of a licensed practitioner of the healing arts performed within the lawful scope and in the course of his practice.'

"7: The proposed new Section 653.1 of the Penal Code is quite broad, and if it can be enacted would certainly deter the sale or barter of phony degrees. In this connection it seems to me that it might be easier to to secure legislative approval to a felony section in the Penal Code covering sale of academic degrees than it would to secure amendment to the Medical Practice Act making unlawful practice a felony. Certainly no one can argue that an academic degree should ever be sold, since it is a measure of one's personal achievements, not the abilities of someone else. The degree of punishment that you propose would appear to be warranted by much of the testimony before your committee."

That is submitted by Mr. Howard Hassard, legal counsel for the California Medical Association.

ASSEMBLYMAN DOYLE: Mr. Clancy, I was wondering if your organization would be in a position to let the Governor know that you are concerned about the problem, along with the other organizations, and that it might be made a matter of a special call of the Legislature in March.

MR. CLANCY: Certainly. I would be very happy to convey that to Mr. Hassard.

CHAIRMAN HEGLAND: Could you leave the paper on which you so carefully made your notes? Mr. Clancy, certainly the entire Committee is most anxious to work with a representative of the healing arts, and I think there will

be questions on this matter also after lunch from our own attorneys. Thank you very much, and we will now adjourn.

(Whereupon, at 12:00 Noon the hearing was adjourned until 1:30 P. M. of the same day.)

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LOS ANGELES, CALIFORNIA, THURSDAY, JANUARY 30, 1958, 2:00 P.M.

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CHAIRMAN HEGLAND: The other Committee members will be here shortly. Apparently there was a transportation problem.

I would like first of all to ask legislative counsel to identify himself, give his name, and answer a question as to the testimony given by Mr. Clancy. This particular section has been of considerable interest to members of this Committee for a long time. I will read it:

"580. No person shall sell or barter or offer to sell or barter any medical degree of any kind or character whatsoever, or any degree in any of the healing arts, or any certificate or transcript made or purported to be made pursuant to any law regulating the licensing, certification, or registration of persons engaged in any of the healing arts."

The question is, in case a special call is made and in case it is made only on the Education Code, may we insert these words or similar words in the Education Code, and will they provide the same legal opportunities for law-enforcement agencies as they would in the B & P Code?

MR. LOURIMORE (Deputy Legislative Counsel): As far as I see it, there is no objection to including these provisions in the Education Code. They can be enforced and there should be no difficulty in that matter.

CHAIRMAN HEGLAND: Thank you very much. I would like

now to have read into the record a communication from Dr. Ernest R. Hilgard, Professor of Psychology of Stanford University, from whom, incidentally, as an under-graduate I did take some work. He makes a proposal here, but we will consider the full letter read into the record, and they wish some exception for the legitimate psychology classes dealing with the hypnotic therapy approach.

(Letter dated January 23, 1958, from Ernest R. Hilgard, Professor of Psychology, Stanford University, is quoted hereafter:)

"Mr. Sheridan Hegland
Chairman, Subcommittee on Issuance of Degrees
Assembly Interim Committee on Education
California Legislature
State Capitol, Rooms 3102-3114
Sacramento 14, California

Dear Mr. Hegland:

"Those of us in the established colleges and universities of this State very much appreciate the efforts that you and your Committee are making to combat the 'diploma mills' which have become a nuisance in California. Those of us in the field of psychology are very much aware of the ways in which the fraudulent degrees have been used to mislead the public in our field. This was one reason that the California State Psychological Association was interested in having legislation passed with respect to the certification

of psychologists, which I am glad to say was passed by the last legislature.

"I do wish to comment on the proposal on page 11 of your Report which proposes to add Section 273i to the Penal Code. This makes the practice or attempt to practice hypnotism on a minor, or to employ a minor as a subject for hypnotic practices a misdemeanor. I understand very well the abuses that are committed by those who practice hypnosis without appropriate training or safeguards in its use. However, hypnotism is a legitimate field of scientific inquiry, and we can know better how it should or should not be used only by carrying out appropriate research. We are doing some experiments in this laboratory, investigating various hypnotic effects with the cooperation of students, many of whom have not yet reached their 21st birthday. I know that it is not this group that you had in mind in proposing the legislation, but I believe that it would not violate your purposes to make some kind of exception for research investigations going on in established institutions of higher learning. We, of course, do have medical collaboration in our program, because we are at all times interested in safeguarding those who participate in the research studies. I hope very much that in the further development of the proposed legislation some statement can be made to recognize the possibility of legitimate research on hypnotism with minors that would not be in violation of

the intent of your proposal.

Sincerely yours,

ERNEST R. HILGARD

Professor of Psychology"

We should also like to have read into the record a formal statement from Paul A. Dodd, Dean of the College of Letters and Science, University of California at Los Angeles. Dr. Dodd would have testified but was involved in graduation exercises at his university. Dr. Dodd assures the members of the Committee that his recommendation would be that the University of California family would join with this Committee in requesting a special call. We will consider this letter read into the record.

(The letter from Dr. Dodd is quoted hereafter:)

"UNIVERSITY OF CALIFORNIA STATEMENT 'DIPLOMA MILLS' LEGISLATION

"The University of California has previously commented, through University Extension Director Paul Sheats and myself on the abuses of the degree granting power by some institutions in the State of California, and I should like to re-emphasize some points made in the first Los Angeles hearings by those two University officers. As was pointed out, the activities of the 'diploma mills' have not had a direct, detrimental effect on the degree-granting processes of the University of California. The protections which the University has against the alteration of students' transcripts,

the independent rating of other academic institutions by the University, and the verification of a prospective appointee's academic background and achievements have each stood between us and the counterfeit degrees.

"Nevertheless, like other reputable institutions, the University is concerned with the need to protect the public-at-large from spurious degrees and also with the gradual wearing away of the value of legitimate degrees.

"For this reason, the University will be happy to support any adequate legislation that can be devised. The suggestions of the Committee as set forth on pages 10 and 12 of the Progress Report of December, 1957, would seem to be helpful, and a large step in the right direction. Assembly Bill 1277, as originally introduced, also appeared to us as a step in that direction, but as amended on April 26, 1957, a feature was introduced which, in our opinion, would vitiate the bill. Section 24218, as added by the amendment, provided that at least ten accredited educational institutions would have to offer annual examinations for students of the institutions sought to be controlled by this legislation[1]. If this condition should not be met, the heart of the law, which is the qualification requirements for these educational institutions, would 'become null and void.'

"It must be obvious to the members of this Committee that this provision would keep the law from ever going into

effect, since no reputable institution would lend its name or prestige by undertaking to serve as an examining agency for another institution, and particularly for a group of institutions which are not fully accredited and whose academic motives might be suspect.

"Since the University of California is included among the qualified examining schools under the Bill, we thought it important to call this feature to the attention of the Committee, so that it may not be overlooked in further consideration of this type of legislation.

"Submitted by,

PAUL A. DODD, Dean
College of Letters and Science
University of California
Los Angeles, California"

"[1]Students passing these examinations would then be awarded degrees by the institutions they had attended."

CHAIRMAN HEGLAND: We would like to have two witnesses come forward now. Mrs. Jeanette M. Broom and Maryellen Wood, registered nurse. Which one of you ladies would like to begin the testimony?

MRS. WOOD: I am Maryellen Wood, Executive Secretary of the California Licensed Vocational Nurses Association. The members of the Board of Vocational Nurses examiners have found the report of this Committee most interesting and informative. However, the proposed legislation is not

all that we could have hoped for. Dr. W. W. Stadell, who is president of the Board of Vocational Nurses examiners has requested that I make known to the Committee his feelings regarding the proposed legislation. Dr. Stadell is disappointed because the proposed legislation is restricted to people treating the sick. He was hoping that nursing would have been included specifically in the proposals in the Business & Professions Code, and he would like to request that nursing be included in the following manner:

In Section 580, insert the phrase "or nursing degree certificate or transcript" between the phrase reading "osteopathy"and "chiropractic".

And in Section 581, insert the word "nursing" between the words "osteopathy"and"naturopathy".

And in Section 582, insert the word "nursing" between the words "surgeon" and"naturopath".

CHAIRMAN HEGLAND: Do you have any other comments?

MRS. WOOD: No, sir, I don't.

MR. HEGLAND: Any questions, Mr. Hanna or Mr. Doyle?

ASSEMBLYMAN DOYLE: I think that is along the lines of some of the testimony we had this morning from Mr. Loebl, wasn't it?

MRS. WOOD: Yes.

ASSEMBLYMAN DOYLE: And I think we should give it consideration in legislation that we draw up in its final form.

MRS. WOOD: Thank you.

MRS. JEANETTE BROOM: I am Jeanette Broom, a California licensed vocational nurse. I am also a member of the State Board for Vocational Nurses Examiners, and also a member of the California Licensed Vocational Nurse's Association.

I have a letter here to read to the Chairman from our president, Mrs. Bryant:

"As the Membership Association of licensed vocational nurses, we should again like to go on record with the following statement:

"It is our hope that this Interim Committee will not conclude its work when it has made its final report but will be responsible for seeing that some of its members will write a Bill, which will provide a legal basis for the elimination of all Schools of Practical Nursing that do not conform to specified standards.

"We assure you this Measure will be wholeheartedly supported by the nursing profession.

"Yours very truly

CALIFORNIA LICENSED VOCATIONAL NURSES' ASSOCIATION, INC.

LURA E. BRYANT, LVN
President"

CHAIRMAN HEGLAND: The Committee very much appreciates your very constructive attitude, and I am sure members of this Committee will be very happy to do what we can. You no doubt heard the analysis of the legislative counsel

that the proposed 580 of the Business and Professions Code could perhaps be put into the Education Code on a tentative basis, so you may get relief possibly sooner.

Now, if Dr. Brown and Claude E. Yates will step forward, we will appreciate it. These two gentlemen represent the California Council of Business Schools.

MR. JOHN R. HUMPHRIES: My name is John Humphries. I am here today to represent the California Council of Business Schools and explain to you the relationship that the California Council of Business Schools has to certain other types of specialized education in the state and express our attitude on these questions and issues that your Committee has brought before the people.

Mr. Yates is not here today. I am here as a representative of the California Council of Business Schools. The California Council of Business Schools is an organization with a long history. It goes back some thirty or forty years of continuous service to specialized education. There is no single organization in the state that represents all post-secondary specialized private education. There is a rapidly growing organization which has the temporary name "The California Association of Specialized Schools and Colleges". It is rapidly growing but as yet has not taken an active part in matters affecting legislation.

The California Council of Business Schools has, however, a number of coordinating committees and research

committees which bring into its membership representatives from other fields of specialized education other than business education, so my remarks here today are tempered by the thoughts of these other fields of specialized post-secondary education, all private.

Among the other fields of specialized education beside the business schools, one of the most important groups is the technical institutes. The newspapers have been full of the importance of engineering education and education in the field of mathematics. Pioneering in this field of technological education in California has been California's great technical institutes. They are long-established institutes, and they have a vast amount of experience in the teaching of mathematics and many scientific fields. Their objective is to train technicians, engineering aids, that work just below the level of the professional engineer, and the magazines and the President's committee on the study of education beyond high school have given a great deal of attention to the importance of the technical institute type of education, because for every professional engineer in electronics and all of the other fields that are related to the defense of the country, for every engineer of that kind he needs four or five highly trained, theoretically trained, mathematically competent assistants to help him do the work that is necessary to get his job done.

Specifically, some of those technical institutes that you are familiar with here in Southern California, Western Electronics, Northrop Aeronautical Institute; and in Northern California you are familiar with Heald College, which is a large, long-established institute that goes way back beyond the turn of the century.

Another important group of schools that is closely associated with the California Council of Business Schools is the schools which are broadly termed "Bible Institutes and Bible Colleges". These are colleges which have programs of general education; some of them have programs of specialized education of an occupational nature, and all of them give considerable attention to the study of the bible and they have varying interpretations on what portions and what type of education should be given in the study of the bible.

The number of people who are involved, the number of students who are involved in these private specialized post-secondary institutions, is very considerable. Recently, the Senate Committee on Education, Senate Interim Committee on Education, held a hearing in Sacramento on the question of the encouragement of private education to bear a larger share of the ever-increasing post-secondary load.

Testimony was given at that meeting which actually listed all of the private specialized schools and colleges in California which have been inspected by competent

educational authority and have been approved or accredited and found worthy by somebody who has reason to call himself competent in the business of the inspection and evaluation of post-secondary institutions.

There are more than 150 such schools in the State of California. They are long-established, carefully inspected, adhere to ethical standards. They all have some specialty and there are more than 35,000 students in those schools. 35,000 students is a very impressive number of students. At the same time, the statistics show that in California liberal arts colleges there are some 32,000 students, and in California liberal arts universities there are some 34,000, so you can see that these some 35,000 students who are receiving technical education is an important group of students.

CHAIRMAN HEGLAND: Mr. Humphries, this Committee certainly believes in private education as well as public education for profit, as well as education not for profit. We are specifically interested, I think, in knowing your reactions to each of the items of legislation on pages 10 and 11, and your recommendations, as Mr. Ludlam gave us section by section in the proposed legislation.

MR. HUMPHRIES: Thank you very much for the opportunity of explaining the thoughts of the people whom I represent, and I will concentrate my attention on these points.

CHAIRMAN HEGLAND: Thank you.

MR. HUMPHRIES: We have read carefully this document dated January 23, 1958. We also prepared for the benefit of your Committee a mimeographed statement entitled "Suggestions for Legislation" and so on, of which we have furnished you copies.

At the time our Committee wrote this document, we were not aware of the preparation of these changes in the Education Code and we were under the impression that the action of the Interim Committee would be in keeping with pages 10 and 11 of the Interim Committee Report and did not expect this. For that reason, our analysis deals exclusively with the proposed legislation on pages 10 and 11 of the Interim Committee Report.

Our attitude toward pages 10 and 11, and what there is on page 12, is, of course, that we are in harmony with the attitude, the analysis of the Interim Committee. We find no fault with it. The private specialized schools will support it in toto.

Minor suggestions have been made in our mimeographed page here. We have suggested that perhaps investigations might be considered better in the hands of the Attorney General's office than in the Department of Education, and some minor points of that kind.

We have suggested in Item 5 on page 1 of our suggestions, the elimination of the words "to September 19, 1939," from Education Code Section 24205, hoping to find

some way to give the Legislature an opportunity to enforce anti-diploma mill legislation against the present 1939 group, because our analysis of what has gone on shows that the bulk of the trouble has been with that group of schools and there seems to be little evidence that the people who were incorporated since 1939 were in any trouble.

CHAIRMAN HEGLAND: Well, Mr. Humphries, I think that's just wonderful. In other words, with this portion of the 1-23-58 document which does eliminate reference to the 1939 group, you would then, at least, be in harmony with the philosophy of that elimination?

MR. HUMPHRIES: Yes, we are in harmony here, and as to this document of January 23rd, we feel that it has much to commend it, but we have some specific points that we feel require more study.

We very strongly feel in concert with Mr. Jim Ludlam, that this is a matter of considerable moment, and far-reaching effect, and that there is need for careful study and revision of each of the sections in here.

Many of the points that Mr. Ludlam made we are in harmony with. Very few of them we are in disharmony with, and those points we feel are minor points.

We feel, with Mr. Ludlam, that if an opportunity could be given in the further work on this program to provide a committee where both general education and specialized education and the Legislature and the Attorney General could

be represented, that the points in this document have much to commend them; that the points which are at issue could be easily reconciled, but some sort of a committee should be appointed to work it out.

I have elaborate notes here and I would be happy to go over each paragraph as Mr. Ludlam did, and explain just our attitude and the history of it and the background, and I have other notes and documents here. I even have extensive documentation concerning the American Association of University Professors, and why we would feel that some other method of solving that problem would be more appropriate.

CHAIRMAN HEGLAND: May I ask you, as I did Mr. Ludlam, That we will certainly welcome opportunities for education to set up its own regulations.

MR. HUMPHRIES: Yes. Well, we believe that we are approaching the place where if we can sit down with you, we feel that we are an important group of education in public institutions beyond high schools, junior colleges, state colleges, and the university. You find both specialized and general education in each of those institutions. Now, if you want to find the private counterpart for that you have to take both the specialized institutions and the liberal arts institutions, and they are just about even in the number of students and the type of work that they do. If these people could sit down with proper

representation from your group, I don't think that there is any problem here that is insurmountable, because we are delighted that you are going to give some protection to the diplomas, the degrees, the certificates, and the transcripts that we give.

Our bible colleges, who train ministers and Christian workers who work with the churches in religious education, they were shocked and amazed at the abuses in that field. In business education, it's the same thing. Rackets in the name of Sputnik and engineering education are amazing. But there are some wonderfully encouraging signs which grow out of the freedom of inquiry that this state has always given to all types of education, and the only thing we ask is that you don't make it difficult for any legitimate institution, proprietary or non-proprietary, specialized or general, large or small, any of those things, that you don't make it impossible for the state to use the great principles that free enterprise has given to our country in education, to develop ideas and to develop programs of education in accordance with that.

Would you like to have me go through and comment upon the various paragraphs here?

ASSEMBLYMAN DOYLE: Mr. Humphries, in discussing it here with members of the Committee, we hope that you will be able to join us, perhaps in Sacramento, in the next week or ten days, when we will sit down with these other groups

that you mentioned and if you will itemize these items we will have the Attorney General's office there and we will come up with an answer that I am sure we can all live with.

MR. HUMPHRIES: There are men in the room here that represent large technical institutes, and before I came I talked with people that are involved in education which has a very strong religious aspect. I have talked with the people who control the mortuary science, and I could go on down the list and name them. The things which we have enumerated in these suggestions are important to the scientific and general education fields. I have talked with many of the people in these fields and I am sure that they are just delighted that something is going to come out of it. But to take the law of 1939 and to overhaul it all in one piece, with all that history, and to say, without sitting down and ironing out the differences and identifying the issues and finding out just what the alternatives are and what the various weights of influence were and what the proportions of people were, and all of that sort of thing, we might come up with something that might not be as good as if we sat down over a conference table and ironed it out.

So my plea is that the opportunity of bringing in these people, they are people who are very competent in all fields who would be glad to work with you.

ASSEMBLYMAN HANNA: Mr. Humphries, I want to ask you a specific point. Perhaps you have it in mind but I wanted to be sure you would have in bringing it to the Committee, this material: I think that you probably represent about as broad a sweep of an approach on specialized fields that are not generally found in what we call our, we will say, our formal educational approach on post-twelfth grade level, and I wonder if you would be able to give the standards used. I think I heard you say that most of these groups had some kind of accreditation and I presume it must be some accrediting that they have worked out between themselves. Isn't that true? Like your bible schools, for instance: do they have some kind of an association; accrediting agency?

MR. HUMPHRIES: They do, indeed.

ASSEMBLYMAN HANNA: And the rest of them likewise?

MR. HUMPHRIES: Yes. And there are standards for the accreditation of crediting agencies, and these agencies which have been used in this group of schools are all agencies which meet the standards for accreditation or approval of accrediting agencies.

ASSEMBLYMAN HANNA: Specifically I was thinking about this problem that we have about how do we determine whether a person is qualified to teach a particular subject in an institution which is giving a degree or certificate, and so on, which we are investigating here, and I think perhaps

if we had a broader sweep on this thing we would find out whether or not this is something we can encompass in a general legislative enactment, and I am sure, as nearly everybody else is, we can't do it with what we have in this now.

MR. HUMPHRIES: That's right. Trying to get that down into language has a long history in the Legislature. There have been a lot of bills. The first bill that I appeared on in this field was Porter's Bill, and that goes back to the time when Carley Porter first came in the Legislature. I don't know how long it has been since he has been there, but it was one of the first bills, I think, that he handled.

I feel sure that language can be evolved which will cover all of these problems. I wouldn't want to presume to be able to write that here and now in vocal testimony before the Committee and have it come out in a polished form that would bear the test of the legislative counsel here and the Attorney General's representatives, but there have been proposals that would work out.

I think that if these proposals could be tested by a conference, if we could have the opportunity to write, and if Mr. Ludlam and his constituents would have the opportunity to write, that something could be worked out. On a national level these problems have been solved by the accrediting agencies. Of course, in California, we are not going to just do everything they do in Washington, and

I mention that only as history and as precedent that might give some method of approaching the subject.

We believe that the question that you want answered is going to be answered privately, without having to set up a bureau within the State Department of Education to control private institutions. No private school wants that, public or specialized. The liberal arts and specialized colleges march shoulder to shoulder on that. But there are certain means, specifically in engineering; the Engineers Council for Special Development has a very fine history. It is the accrediting agency for upper division and lower division schools. Were you not before a committee on that?

ASSEMBLYMAN HANNA: Yes, the ECPD.

MR. HUMPHRIES: Yes, having specifically to do with schools of engineering at San Jose State College. Recently I read in the newspaper about that.

There is a similar organization, quite as authentic, quite as respectable in every regard, for bible institutes and bible colleges. The name is rather long. The American Association of Bible Institute and Bible Colleges. There is such an organization for business schools, the accrediting commission for business schools. This group of schools has done such a good job that the Western College Association has recognized its work, and on the basis of the advice of the accrediting commission for business schools,

Western College Association accredits certain business schools in their group.

There are certain activities in the State Department of Education which serve a variety of specialized educational fields, in which representatives of the State Superintendent of Public Instruction actually go into fields and into private specialized schools, and in cooperation with the schools, make an evaluation, and those are good evaluations, and some place in my bag there I have a letter from the late Frank Wright, whom we all respected, saying that the job of these state agencies was a good job and that it was a job that could be relied upon and so on.

I think there is an answer to the question if we do sit down. We might be here all afternoon if we were to go through this.

ASSEMBLYMAN DOYLE: I have only one comment. I would dislike to have Mr. Fitzgerald of the Universal Church of the Master, in this association. We might check him out.

MR. HUMPHRIES: By the same token, we would hate to find Greenbriar College, or whatever it is, accredited by the Western College Association, and there is just about as much a chance.

ASSEMBLYMAN DOYLE: We understand each other.

CHAIRMAN HEGLAND: Would you feel that legislation at this coming session is important?

MR. HUMPHRIES: Yes, I think that legislation at this session for the specific purpose of eliminating the diploma mill menace, with that objective in mind, is very important. I believe that elements which involve any control of educational programs or curricula or development, those things should take a longer period of time; that it is not necessary to try to define all of those things right now in order to stamp out the diploma mills, because we can define what a diploma mill is and say, "That's sinful," and make it a felony, and that seems to be what's in this excellent report from the Assembly Interim Committee, and certainly there is something that can be done there. This has much to commend it. It is the first attempt to clean up. Some of the paragraphs in here are like the associate act of 1900. Well, I didn't graduate from the Farm until 1940, I think it was, or '38 or something, and I can't even go back that far. I don't even know where to find the Associate Act of 1900. You have eliminated it here. That is a good thing. And if there is anybody who thinks that the Associate Act of 1900 is a good thing, he ought to have an opportunity to speak his piece, but I don't know where he is.

CHAIRMAN HEGLAND: Thank you very much.

We have a gentleman who is giving his time voluntarily on vacation, more or less, who has always been active in this field and interested in it. Mr. Archie

Ross. We are very happy to have you here.

While we are waiting for Mr. Ross, we will hear very briefly from Mr. Norcross.

DR. LEE H. NORCROSS (Executive Secretary, California Chiropractic Association): We commend the Committee in initiating the action to obtain remedy and public protection. Our association feels that the proposed draft to amend the Education Code is a step in the right direction and will fully cooperate, including any assistance that our legal counsel can offer, and our staff.

We believe that Section 24216 of the proposed Act requires some clarification. In its present form, 24216 would make even the most trivial violation a felony. For example, a failure to file an annual report required by Section 24213 would be a felony, even though such a failure, in itself, would not constitute what is commonly regarded as a serious offense.

With those comments, I have nothing further to offer, except to pledge our full cooperation.

ASSEMBLYMAN DOYLE: Thank you very much.

CHAIRMAN HEGLAND: Thank you, Mr. Norcross.

Dr. Kearney, representing Dr. Simpson, State Department of Education.

LAWRENCE D. KEARNEY (Administrative Advisor, California State Department of Education): Heretofore I have not had a doctor's degree, sir, unless it has been conferred.

CHAIRMAN REGLAND: We don't have much longer, so we'd better give it to you now.

MR. KEARNEY: The legislation which is being considered now is certainly devoutly to be sought. We hope it will fulfill what we have been hoping for for a long time, to finally eliminate these diploma mills.

There may be some problems that have not been settled. I think it has been pretty obvious from the discussion heretofore this afternoon and this morning that some further work and thought has to be given. I think that the increase in the penalty for selling of degrees is certainly a desirable thing. Also, I think it is highly desirable to make the purchaser equally guilty and punishable.

If some provision can be made for distinguishing between the honorary degree and the earned degree, I think it will certainly be a worthwhile achievement. There seems to be some problem there at present.

I think that the elimination of reference to the September, 1939 date is certainly in order.

I think that there should be some way of eliminating the practice of these diploma mills from giving credit for fictitious work without destroying the contributions that are made toward legitimate education by the hospitals and these industries, and I don't know just what the answer is, but I am sure it can be resolved.

The only real problem I see in any of this legislation is with reference to the Certificate of Compliance that the Superintendent of Public Instruction will be required to confer upon institutions that meet these minimum requirements, those who file the Articles of Incorporation and the name and address of their directors and these other rather mechanical features. What I'm fearful of is of some very unworthy institutions may comply with these requirements and then obtain a Certificate of Compliance from the Superintendent of Public Instruction and blazon it all over their letterhead that they are certified by the Superintendent of Public Instruction. We don't want credit for something like that.

As has already been brought out, many of these very sub-standard organizations have made much of the fact that they are chartered by the State of California. We receive innumerable letters from all over the world saying, "Why is this organization no good? It is chartered by the State of California." All I can say is that by judicial interpretation, any corporation that has filed its Articles of Incorporation may say that it is chartered, and that does not indicate any particular approval by any State agency.

I see that there is a proposal to add to the duties of the field representative of the Department of Education in investigating these privately-operated colleges

and schools to see if they have complied. I think maybe there is a little technical point there. Actually, a field representative is a fairly general classification and we have a number of them in the Department in other types of work. I believe there are several in the Child Care Center program; I believe in the school lunch program. Perhaps that would be desirable to make that a little more explicit, because I presume that reference is made to a man who is doing the credential work investigating.

I think some consideration should be given to the suggestion already made that perhaps the investigator's activities should be in the same agency that does the prosecuting. In other words, perhaps it would be desirable to have the Attorney General do the investigating. That is just a thought.

But the Department of Education is certainly prepared to undertake any duty that the Legislature desires to confer upon it.

As far as any further conferences or meetings on an informal or formal basis, the Department will wish to cooperate to the extent that its services are desired.

ASSEMBLYMAN HANNA: I just want to make two comments. First of all, do you suppose that there might be some method (following up what the last speaker said about the accrediting of the accrediting organizations) that might take some of the burden off of the Department that way?

In other words, where they would be merely checking up on the accrediting associations that were within any particular strata of schools, and then once they were assured that the standards and status of that accrediting organization were satisfactory, that they might be able to work through some method of accrediting those accrediting institutions?

MR. KEARNEY: Well, I think that's possible. I think I ought to reiterate what I have always tried to remember to say at any such meeting, and that is to say that the Department of Education is not seeking to interfere in public education; does not want to control the very fine system of private education. We want to cooperate with them to achieve the same goal.

I had thought once of suggesting possibly that some organization like the Western College Association might take over the accrediting. The trouble with that is that it would affect only a certain strata, that is, the thirty or so universities and colleges. Perhaps some other similar type of organization might assume the burden of accrediting the very fine system of business colleges, and the very fine system of vocational trade schools, and I think it is a feasible thing.

ASSEMBLYMAN HANNA: That was my thought.

The second thing, and this is merely a question: I haven't heard any reference being made to correspondence schools here and it has been my feeling that there is

probably a good class and a less desirable class in this category. What is your interpretation of how this legislation would affect the correspondence schools that issue degrees?

MR. KEARNEY: Well, I think that as far as I can glean from this material, that the granting of credit for correspondence work would not be prohibited. There certainly are many types of correspondence schools. That is apparent from the great deal of correspondence we get from inquirers.

CHAIRMAN HEGLAND: If I may interject here, I don't believe that this legislation affects correspondence schools and home-study schools adversely. They have assured us of their complete cooperation.

MR. KEARNEY: It would be a great tragedy if they were embarrassed, I think, because there are many very fine ones.

CHAIRMAN HEGLAND: Thank you very much.

We appreciate the cooperation from the Superintendent of Education. We agree with you that we must not have control over private education by any public agency. On the other hand, the Department of Education does represent education in this state.

I am sure that all of us have questions to ask Mr. Loebl after some of these questions have been raised. I think the next time we will have some of these witnesses prepare the document and then you can testify in regard

to their documents.

MR. LOEBL: Mr. Chairman, we would welcome that. I am prepared to answer any questions, but before I do that, if I may, I would like to make two statements.

I believe it was Mr. Clancy suggested the possibility of revising Section 580 of the Business & Professions Code to eliminate the areas not now covered by licenses in such areas as druggists, practitioners, and midwifery, and a couple of others, and naturopaths, who are still in the Code, and relate it back to a date when perhaps all those were licensed and they aren't now. We would specifically oppose such a change, because we don't believe that the crux of the matter attacked by Section 580 is licensing, but in the granting of the degrees that can be held out to the public. Therefore, we think that it should be as broad as possible within the field of the healing arts, and to that extent we even included psychology, I believe, that wasn't there before. Perhaps this could be limited to the field of psychology dealing with the healing arts. Of course, much of it doesn't.

The other comment that I would like to make is that we listened with a great deal of interest to the comments of Mrs. Wood of the California State Board of Vocational Nurses, and of course some specific provision should cover the problem presenting by the material that she discussed. We feel that there is a qualitative difference

between the vocational nurse's problem and the other problems that were discussed and presented before the Committee in October.

The difference is just this: If you will recall, the testimony that was brought forth at those hearings, the only people who received degrees, diplomas, or certificates of any kind who were not equally culpable with the seller or supplier of these degrees, diplomas, or certificates, were the people that were involved in the vocational nursing schools. They were innocent victims and not equally culpable as the others were. We feel that this is the type of problem that can best be handled in another separate way as far as its whole context is concerned. Perhaps some provision could be made in Section 580 to prevent the sale of these degrees as well, but as far as the whole problem is concerned, we think that it ought to be handled, but handled separately.

ASSEMBLYMAN HANNA: May I ask you a question right there.

MR. LOEBL: Yes.

ASSEMBLYMAN HANNA: You were talking about the testimony that Mrs. Wood gave.

MR. LOEBL: That is correct.

ASSEMBLYMAN HANNA: It was my understanding that Mrs. Wood was the RN.

MR. LOEBL: That is correct.

ASSEMBLYMAN HANNA: And the other lady was the lady representing the vocational nurses.

MR. LOEBL: It is my understanding (and if Mrs. Wood is still in the hearing room she could probably explain this) that while Mrs. Wood is an RN, she represents the Vocational Nurses Board.

ASSEMBLYMAN HANNA: I didn't understand that.

MR. LUBLAM: I think the problem is the problem of practical nurses and not the vocational nurses, because the vocational nurse is now under an approved schooling system, approved by the Board of Nursing. The requirements for a practical nurse do not begin to parallel those of an RN as far as schooling is concerned. It is the practical nurses that these subgrade schools are putting out. Let's wait a minute until she comes up here.

MRS. WOOD: It is very true that the Vocational Nursing Board does accredit schools for vocational nurses, but there are schools that sell courses in so-called practical nursing that are completely non-existent as far as our Board is concerned. These people who takes these courses are not eligible to take the State Board examination and become licensed when they have finished the course, and this is the reason that Dr. Stadell wished nursing to be included in the section which I mentioned before.

ASSEMBLYMAN HANNA: I knew there was some confusion there and I just wanted to get it straightened out. Thank you.

CHAIRMAN HEGLAND: Mr. Loebl, Mr. Clancy made the statement this morning that Section 580 of the Business & Professions Code should perhaps be incorporated in the Education Code so that we could get quicker action on it immediately.

MR. LOEBL: Mr. Chairman, that brings up another question. Certainly our office has no preference - or at least I know of none - as to where the sections are placed. I think that is a problem that is peculiarly the legislative counsel's problem, and we certainly would cooperate in any determination that he made.

We feel this: we welcome the comments that were made today. Some of them were, as we expected, rather shattering. We think that they were done in a constructive manner and we hope that they will be followed by submission of sections to accomplish the same result that we have attempted to accomplish without the accompanying deterents, apparently, that we put in there, quite unintentionally I assure you. We are willing and stand willing to associate in any meeting to accomplish these results. We hope it can be done as soon as possible because drawing your attention back to October 21, 22, and 23 of 1957, we hope that the Committee and the other witnesses that testified before the Committee today, will remember the testimony that was brought out at that time of the evils, and it is all well and good to say that these sections must be drafted in a

way to prevent substantial harm to legitimate schools, we agree with that 100 per cent. We hope that it can be done rapidly enough to eliminate the very substantial evils that we are trying to correct, and do that as soon as possible.

I have no further comments, and I am certainly willing to attempt to answer any questions that may be propounded.

ASSEMBLYMAN HANNA: I think that probably the suggestions that have been made by the people who were rather critical of what you had done, their suggestions of being willing to go around a table and discuss this thing would meet with your approval wholeheartedly, would it not?

MR. LOEBL: Absolutely. We have no background in education as such, and obviously the law-enforcement provisions affect education, and we expect the people to come forth and tell us where it hurts unnecessarily.

ASSEMBLYMAN DOYLE: I think, Mr. Chairman, that each and every one of the witnesses here were trying to be constructive in what they were bringing out, don't you, Jim?

MR. LOEBL: Absolutely. We welcome the constructive criticism and we assume that it was all constructive. We welcome the fact that it occurred. I think the other witnesses, too, grant that it is an extremely difficult thing to draft legislation in this field.

ASSEMBLYMAN DOYLE: One other question, Jim, before you leave. I know that at the time Attorney General Brown

testifiedbefore the Committee, it was his hope that something could be done as soon as possible on this type of legislation.

MR. LOEBL: That is correct.

ASSEMBLYMAN DOYLE: I assume that your good offices would be happy to go along with the rest of us in requesting this type of legislation on a call, if there is a call.

MR. LOEBL: Well, I certainly assume so, and I will present that to Mr. Brown. Is it your suggestion that I ask him to request that this be placed on a special call if there is a special call?

ASSEMBLYMAN DOYLE: Yes. The fact that we have all spent your time, the Committee's time, the time of the Medical Association, the school people represented here, and money and all in doing this, I don't believe that we should wait another year to start the ball rolling and to try to get some legislation affecting those sections, and I am sure that the Governor would appreciate Attorney General Brown's position, as he will anyone else's that wants to let him know that they feel it is serious and that something should be done at the March session.

MR. LOEBL: I shall request that he write such a letter.

Mr. Chairman, if I may make one final statement, representing the office of the Attorney General now and also myself as an individual, I want to thank the members of the Committee for the wonderful cooperation that was afforded

our office in the diploma mill problem and we trust that the cooperation will continue. We are very, very grateful for the opportunity to present our case to the Committee.

CHAIRMAN HEGLAND: Thank you very much, Mr. Loebl. We appreciate the wonderful work that you and Mrs. Miller and Mr. Mulvey have done on this case. I think we should also mention the District Attorney in Los Angeles, the Chief of Police in Los Angeles, the State Medical Board, the State Department of Education, Bob Kirkwood of the Comptroller's office, the State Franchise Board, the U. S. Postoffice. Who else? The Sheriff's office, certainly. They were extremely helpful, all of these people, and their very presence and their active assistance indicates that there is substantial harm being done, and I would hope, in conclusion, Jim, that sometime before the next week before all of you come to Sacramento, if you could meet with Mr. Ludlam and Mr. Humphries and at least eliminate the drafting difficulties before we decide whether they have to be notified ten days before they give the honorary degree, or ten days after. Thank you very much. Now, is there anyone else here who wishes to testify? If not, we will take a five-minute recess before Mr. Ross testifies, but we would like to fill in with others who wish to testify if there are any here. If there is anyone here, please feel free to come forward and speak.

I would like to ask Mr. Norcross one question.

Would you be willing to join with all of the individuals who today have indicated that they would like to put their associations on record as believing that this matter deserves legislative attention as quickly and as rapidly as possible by an appropriate letter to the capitol?

MR. NORCROSS: The answer is Yes, and as emphatic in any way that we can cooperate, in making a Yes answer effective.

CHAIRMAN HEGLAND: Thank you, and a copy of a letter to the Committee would be appreciated.

Then hoping that Archie Ross does come, we are anxious to get this read into the record, we will take not more than a five-minute recess.

(Short recess.)

CHAIRMAN HEGLAND: As I said before, this is Archie's vacation period. So if he will come forward he might tell us how he spends his time when he is not on vacation.

MR. ARCHIE D. ROSS (Assistant Secretary, California State Board of Medical Examiners): I would like to introduce Dr. de los Reyes, who is president of the Board of Medical Examiners.

I would like to thank the Committee for the opportunity of being here at this time. We have reviewed the proposed legislation which the Committee anticipates introducing at the next session, and we would like to state that we are certainly in accord with the proposals you

anticipate making at the next session of the Legislature.

Especially are we in accord with creating a felony for a violation of Section 21411. The Board has sponsored legislation regarding this at prior times. I think it was prior to 1949 that there was a bill introduced to make the practice of medicine without a license a felony. And I think it was again introduced in 1951.

The Board does feel pretty strongly about it, inasmuch as there are other crimes which may appear to be not quite as serious, such as the practice of dentistry without a license, a second offense being a felony. It is rather hard for us to reconcile that as a felony, when the practice of medicine can be only a misdemeanor.

We are interested in Section 580, the selling and bartering of any degree of any kind or character whatsoever. The Board does have at this time some jurisdiction over certification of psychologists, which was created at the last Legislature. There is an examining committee that will examine the certification of psychologists, but they will be under the administration of the Board of Medical Examiners, so the Board is concerned with other degrees other than the medics.

As we indicated before, they handle the licensing and registration of physical therapists and they do not appear to be in 580 as we understand it now.

Of course, I am not the legal counsel for the

Board and I don't know if the exact wording would actually change the disposition of 580 as the changes have been proposed here. I believe that would be a matter for the Attorney General to discuss with the Committee in the event they felt it necessary.

I understand there has been some proposal made to remove Section 580 from the Business & Professions Code and place it into the Educational Code.

CHAIRMAN HEGLAND: To correct that, I think in case the special call is only opened on the Education Code, it would leave for 1958 the B & P Code necessarily alone, but in order to get a little quicker action we might put in the revised 580 under a new number in the Education Code.

MR. ROSS: Well, we would point out, however, that we are not charged with enforcing the Educational Code, the Board of Medical Examiners. We have been quite active in enforcing 580 as it is now, and we just make that comment in passing.

CHAIRMAN HEGLAND: Couldn't you proceed on a violation, or couldn't you have someone else proceed on a violation of 580, with a new number in the Education Code, which would be better than nothing?

MR. ROSS: Definitely we could make the investigation, although there may be some people wondering why we were enforcing the Education Code. I don't believe there is much question now as to the scope of the activities of our

investigative talents in the investigation of violation of sections involving the healing arts. I do make that comment because we do have an investigating staff that has been quite active in this field.

We have reviewed some of your other proposed legislation regarding the use of the Seal, and certainly from our experience it is a matter that should be restricted to agencies that are well qualified to put the Seal on a document. We have run into many instances where the Seal has been used indiscriminately. We believe that has been shown before this Subcommittee on various occasions.

I would like to have a little clarification on this section 24216. It refers to "report of violation shall be made to the Attorney General of this State for the institution of such legal proceedings as may be authorized." I'm a little confused about it. Does this create the Attorney General as a special prosecutor in this type of action, or would a violation of this section be prosecuted through the normal channels of the District Attorney's office?

CHAIRMAN HEGLAND: Could we ask the legislative counsel his opinion? I don't think that was the intent. By what number is that?

MR. LOURIMORE: Where do you find that provision that you are discussing?

MR. ROSS: Section 24216 is the section.

MR. LOURIMORE: It would appear from the provision,

just looking at it now, that the Attorney General would be the person to institute the proceedings under that section, any violations which he might find.

CHAIRMAN HEGLAND: If that is not entirely satisfactory, would you work with Mr. Loebl or with Mr. Marshall on our Committee to get the clarification your group wishes?

MR. ROSS: I only mentioned it as a question, what the intent was there. It is a little unusual to us, I mean under 580 we always went to the District Attorney, which is a normal procedure on all prosecutions. The only time we ever go to the Attorney General has been on administrative hearings, and this appeared to be a criminal matter.

ASSEMBLYMAN DOYLE: I think technically you would have to go through the D. A. anyway, wouldn't you, and then on in to the Attorney General?

MR. ROSS: Apparently you would, but I was just wondering if this were something that was setting up a special prosecution for this particular section.

CHAIRMAN HEGLAND: No, there is no such intent.

MR. ROSS: We have reviewed the other sections regarding the hypnotism and it certainly appears from the evidence that was introduced here that certainly some control should be placed upon them, and we believe you have worded your proposals in a very fine manner. With that, I would be very happy to answer any questions the Committee may have.

DR. de los Reyes: I can assure you it is a great pleasure and Honor to be here before you, and I appreciate

the opportunity. When I began to read the Business & Professions Code, which is my duty as a member of the Board of Medical Examiners, I found that if an individual were charged with giving a racehorse a stimulant, he would be prosecuted on a felony charge. Here we are dealing with human beings, and apparently it doesn't make any difference where they do that, it is just a plain misdemeanor. So I am very happy to see that the situation may be corrected, I hope, because, after all, I think it is the duty of the individual that takes care of human beings, that he should be one of integrity and good character.

With regard to Section 580, I would like to see it kept in the Business & Professions Code, for one particular reason: that I understand that the enforcement agency for the Education Code of California does not have enough investigators. I understand there is only one field representative, or thereabouts. He would certainly be the proverbial one-armed paperhanger if he were to go around throughout the State of California and try to enforce 580. We have a staff, we have investigators, we have men who are eminently qualified and are experienced, and I would like to see 580 in that particular section of the Business& Professions Code.

Also, Section 580 says that it is a felony to sell or barter or offer to sell or barter any degree of any kind whatsoever. Yet, if an individual has a degree, or something

like that, and because he has the degree goes ahead and treats, that again comes to 2141, which is a misdemeanor. I am not a lawyer, but to me that is incomprehensible. With regard to the other, I think that Dr. Ross has explained it very well. And I think that that should be used only by individuals or agencies that have the right to do so.

As to 24216, I think that Dr. Ross also explained that. And I think that 6531 of the Penal Code, which apparently is going to be increased in its scope, I think that is a very healthy attitude on the part of the Committee. I think that is very commendable.

With regard to the hypnotism, I think that that is no more than right.

Gentlemen, unless you have some questions, again I thank you for the privilege of being here today, and I think that Dr. Ross has expressed the appreciation of the Board of Medical Examiners of the State of California.

CHAIRMAN HEGLAND: We want to thank you very much. We want to thank our consultant, Jim Marshall. He has done a wonderful job. There will be no meeting in San Francisco, as previously scheduled. We believe we have demonstrated our case. We are grateful also to Blanche Hansen, who has worked very hard on this. There will be meetings, I trust, in Los Angeles, between the people earlier referred to, and later, inside of a week or ten days, in Sacramento. To the audience and everyone else, I thank you. Good afternoon.

(The hearing was adjourned at 3:20 o'clock p. m.)